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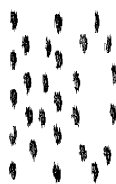
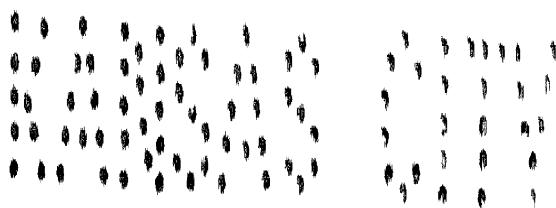
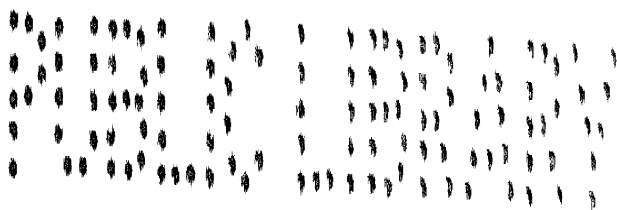
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# Intercollegiate Debates

(Volume XV)

THE YEAR BOOK OF COLLEGE DEBATING

CAMBRIDGE UNIVERSITY—STANFORD—WAYNE—CREIGHTON  
—MINNESOTA—WASHINGTON—HOBART—MARQUETTE—  
BATES—EMORY—GEORGIA WESLEYAN—KANSAS  
STATE—HASTINGS—IOWA—IOWA STATE—  
INDIANA—UNIVERSITY OF CINCINNATI

EDITED BY

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*University of Redlands, California*



NOBLE AND NOBLE, *Publishers, Inc.*

76 FIFTH AVENUE

NEW YORK

YIPPEE! YIPPEE!  
YIPPEE! YIPPEE!  
OH

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## EDITOR'S FOREWORD

THE debating season of 1933-34 saw the largest gathering of debaters on record, in the history of inter-collegiate debating when the National Tournament of Pi Kappa Delta was held at Lexington, Kentucky, the first week in April. Only one thing about the gathering was disappointing and unsatisfactory and that was the subject or proposition debated. It was so phrased that it was a blanket resolution or an omnibus measure and meant anything and everything under the sun an affirmative team chose to debate. It was intended to be a discussion of increasing the power of the President but that became an excuse for violating most of the principles of government to drag any proposed reform idea into the picture as a matter to be put under the power of the President. This "every thing goes" spirit put the negative team at a disadvantage. Either they must meet the affirmative case or rule it out on interpretations of the proposition. The latter method was penalized by a number of judges and the result was a rather unsatisfactory tournament. Because the subject meant so many different things a debate on it has been omitted from this volume, despite the fact that the Pi Kappa Delta National subject is the most widely debated subject each year.

The next most widely discussed subject was the

National Industrial Recovery Act. At the beginning of the season a number of colleges rejected this discussion as it was felt that while the government was attempting to relieve the depression by this method co-operation rather than criticism was in order. As the months passed, however, criticism of the Recovery Act became quite open and several debates on it were held. The debate presented in this volume dealt with the Labor Provisions in the Act, which have proved to be most troublesome. In the debate on Control of Industry in Volume 13 of Intercollegiate Debates, it was pointed out that a conflict of capital and labor over the right to control or set the provisions of control over any such method of ruling industry would ensue immediately upon the adoption of any plan of controlling industry. The prophecy proved to be a true one.

A discussion of the Control of Industry proved to be one of the most popular affirmative plans for increasing the power of the President under that discussion. So, if that tendency is taken into consideration, the N.R.A. discussion was in reality the liveliest issue of the debate season.

Another very much discussed and popular debate subject was inflation or stabilization of the value of the dollar. Not that these two things are synonymous but inflation to a certain extent was necessary to reach the desirable point for stabilization. This subject presents difficulties and can become very technical, but on the whole it is a good debate subject and is deserving of more consideration from college debaters than it has received so far.

Other subjects that came in for attention were Dictatorship, the Agricultural Adjustment Act, the new Banking Legislation, Hitlerism, and Radio Broadcasting. The last named subject was the National High School debate question and was also used by several colleges and universities. It was one of the subjects used by the visiting debate team from Great Britain.

On the whole a very interesting array of subjects was debated during the season, and there is promise of many of them continuing as live issues for some time to come.

The trends in debating noticeable during the last few years—such as the growth and importance of radio debating, the tremendous swing to tournament debating, and the tenacity with which the debate trip has been retained—continued during the past season. The depression has not killed college debating. It has merely furnished more important things to talk about, and in some way the teams manage to get together and hold the discussions. Perhaps every college has found its funds for debating expense curtailed. However, debating itself has not been curtailed. More is accomplished, as we noticed last year, on a smaller amount of money. Sometimes this means sacrifice on the part of the debaters and the coach. Another factor has been the economy achieved by the tournament system. This may in part explain its popularity. The expense per debate has been cut from an average of fifteen dollars an event to about two and a half dollars an event under this plan, for many colleges at least. That is one of the major reasons why debating as an activity has ex-

panded, and why colleges which once held ten or fifteen debates a season now have a hundred or more debates in a college year. This, of course, means that many more students may participate.

The drawback to the tournament plan is that many debates must be held without the supervision of the director of debate and without adequate criticism, but the debaters make progress anyway and learn from each other, and it is helping to overcome the emphasis on winning and the too active participation of the coach who trained only a group of star debaters under the old system. In the tournament plan the coach allows many debaters to participate who under the former system would never have been given an opportunity. The tournament debate does not have an audience, a serious difficulty to some minds, but the worthy debaters who are able to survive have a very fine audience in the last few rounds of a tournament and that gives audience consciousness and experience to as many as would have received it under the old system of debating.

There is no accurate method of determining who listens to debates over the radio as the occasional letters sent in are a very poor guide to the actual number of listeners. That the radio stations have some faith in debates, or are desirous of giving youth its chance, or of featuring the college speakers, is evident from the fact that they continue to carry such events on their programs. The last volume in this series and the present volume carry trans-Atlantic radio debates. The existence of such radio debates is significant in itself to



say nothing of the trans-continental and local debate broadcasts that are a part of the usual college year.

The love of the debate trip, and perhaps also the love of the college student for attendance at national college gatherings, explains the increased attendance at the national tournaments this year. Three or four were held—all larger than usual despite the depression. In addition to the Pi Kappa Delta tournament, oldest and largest gathering of this kind, was the Delta Sigma Rho Tournament, the Phi Rho Pi Junior College Tournament, and the National Forensic League meet for high schools. These are all finding a regular place annually in the debate season.

In addition to these trends which have been noticed, the group discussion enthusiasts, the non-decision debaters, and the reformers of debate still continue to function. Much of their criticism now is being directed at tournament debating, but one by one the non-decision debating institutions are succumbing to the lure of the new and untried and are entering the tournaments. There seems to be a lull in the storm of attack upon college debating so noticeable a short time ago. Also there seems to be a saturation point in the invention of new methods of debating.

Of the new types of debating, the Direct Clash plan has been given the opportunity of demonstration at the last two conventions of the National Association of Teachers of Speech and at the last Pi Kappa Delta Convention. Opinion upon its value is divided, but it is likely to gain a place as a good method of training

debaters although its acceptance as an intercollegiate type of contest is not so assured.

A new plan of debating called Convention Debating appeared during the debate season sponsored by Syracuse University. The debaters meet as a Political Convention or Legislative Assembly and debate over bills or measures proposed by committees of their own members.

As a final word, the Editor wishes to express thanks to those debaters and coaches who have cooperated in making the present volume and its predecessors possible.

EGBERT RAY NICHOLS.

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LABOR PROVISIONS OF THE N.R.A.  
*A Radio Debate*



# LABOR PROVISIONS OF THE N.R.A.

## *KANSAS STATE COLLEGE AFFIRMATIVE VS. HASTINGS COLLEGE NEGATIVE*

Among the popular discussions of the debate year was the National Industrial Recovery Act. Its labor provisions which have been productive of considerable controversy and of some industrial disputes and strikes are here discussed as a topic in itself quite big enough for an important debate without touching the more general features of the law. The debate was broadcast over Station KSAC, maintained by the Kansas State Agricultural College, and was one of a series of debates on present day problems. Kansas State College has for some time maintained a policy of presenting debates before civic organizations and over the Radio for two purposes—popular instruction of the people as a social service and for the training of the college speakers in a practical way before average audiences.

The debate as here presented was contributed to *Intercollegiate Debates* by Professor H. B. Summers of Kansas State College and Professor LeRoy T. Laase of Hastings College, both in charge of debate at their respective colleges.

### First Affirmative, Don Gentry Kansas State College

LADIES AND GENTLEMEN: It gives Mr. Olmsted and myself a great deal of pleasure to meet our friends from Hastings this afternoon in the first of a series of radio discussions. In the light of present conditions, it is appropriate that in this opening discussion we should deal with the most important economic measure of the day—the National Recovery Act and its labor

provisions. The importance of the question is well illustrated by an incident that happened the other day in our national capital. A friend of President Roosevelt's walked into his office, and was discussing with him the Recovery Act. The friend told President Roosevelt that if the N.R.A. was a permanent success, he would go down in history as the greatest president the United States has ever had. "Yes," replied Mr. Roosevelt, "and if it is not a lasting success, I will go down in history as the last president the United States ever had."

Six months ago, this country was in the midst of the worst economic depression in history. From eight to ten million unemployed men and women were walking the streets. Those lucky enough to have work were toiling in many cases from sunrise to sunset, six or seven days a week. Wages were extremely low, and falling lower. In many cases, three or four members of a family were forced to work to earn the family livelihood; and where but one member of the family was employed, the wages of that member frequently had to be supplemented by charity. Tens and hundreds of thousands of children had to be taken out of the schools and put to work in factories, to help with the support of their parents.

Today, half a year later, conditions have greatly improved. Millions of men have been put back to work. Laborers, clerks, all kinds of industrial workers, are working at higher wages, a smaller number of hours each week. Wages have been raised at least to a living figure. Child labor has largely been wiped out.



What has been the cause of so sudden a change? Many factors, no doubt, have contributed. But the betterment in conditions has been due mainly to a complete change in policy on the part of our government. For the past one hundred twenty years, our government has followed the policy of aiding industry; it has made itself responsible for the welfare of banks, of factories, of railroads, of steamship lines, and in recent years, even of agriculture. But during that time, it has ignored the laborer entirely. Today, a new policy is being followed. For the first time, the federal government has assumed responsibility for the welfare of the ordinary man. Through the National Recovery Act, commonly known as the N.R.A., the government has taken the working man from the streets and given him a job at a decent wage and with reasonable working hours.

The first benefit resulting from the N.R.A. has been the raising of wages. One of the saddest results of the depression was the attempt by certain employers to establish sweat-shop wages and working conditions. The May, 1933, issue of the *Nation* tells us that over two hundred thousand men, women, and children were working in sweat-shops in Pennsylvania alone. The magazine, *Time*, tells of shirt factories in which the average wage of employees was only three dollars a week. Governor Pinchot's commission for investigation of sweat-shop conditions in Pennsylvania discovered that in the Gottlieb Sewing Factory, average wages were from three to four dollars per week; that in the Berstein factory, girls received as little as two

dollars and ninety cents for two weeks' work, or three cents an hour; and that the Adkins Shirt Company of Allentown paid girls working there as little as one dollar and thirty cents a week. Miss Frances Perkins, now Secretary of Labor, tells us that eight months ago, girls and women were working at power machines for pay checks totalling as little as ten cents a day.

But now, these conditions have been changed. The federal government, through the power given it under the National Recovery Act, has established a minimum wage. This minimum wage varies somewhat for each industry according to its code, but the lowest industrial wage fixed by the blanket code is from thirteen to fifteen dollars per week. As a result, the wages paid to hundreds of thousands of working men and women have been greatly increased.

The second great benefit resulting from the N.R.A. has been a reduction of hours of labor. Last summer, I was employed as a clerk in a grocery store. During the early part of the summer, I worked from seven in the morning until six or seven at night on week days, and until midnight or later on Saturday night. In all, I put in from seventy to seventy-five hours a week. But when the grocery code of the N.R.A. went into effect, my hours were cut from seventy to forty-eight hours a week—and at the same time, my wages were increased. This change took place not only in grocery stores, but in all factories and all retail establishments. Where men and women had worked in some instances as many as ninety hours per week as stated by Stephen Reushenbuch of the Bureau of Industrial Relations,

under the blanket code of the N.R.A. maximum weekly working hours have been set at forty hours. A few individual codes, it is true, raised this maximum to forty-eight hours; but others have fixed it as low as thirty-two hours. Certainly one great effect of the N.R.A. has been to bring about a great reduction in average hours of labor.

The third conspicuous improvement brought about by the labor codes of the N.R.A. has been to increase employment. Remember that only six months ago, from eight to ten million men were unemployed. But shortening the hours of labor of those who already had jobs, had the effect of putting millions of the unemployed back to work. For example, in the grocery store in which I worked last summer, three men were employed prior to the inauguration of the N.R.A. code. When the grocery code went into effect, another man had to be hired. Right here in this little town of Manhattan alone, the latest figures show that two hundred five unemployed men have been put back to work by the N.R.A. with pay totalling at least one hundred fifty thousand dollars a year—and Manhattan is a town of ten thousand, with no manufacturing industries. We have no way of knowing exactly how many men have been put back to work in the entire country, but estimates run from two to as high as six million. Undoubtedly the effect of the labor codes of the N.R.A. has been to reduce greatly the number of unemployed.

The final important result of the N.R.A. labor codes has been practically to eliminate child labor. Mr. William G. Shepherd, in the October 7th issue of Col-

liers, tells us that prior to the adoption of the N.R.A. codes, more than two hundred fifty thousand children under fourteen years of age were working in factories. Governor Pinchot's Commission reported that many of these children were working for as little as a dollar a week. However, the minimum wage provisions of the N.R.A. codes have practically eliminated the employment of children as factory workers. Most of the codes specifically forbid child labor; but in any case, the factory owner will not hire children if forced to pay them the minimum wage set for adults. The National Recovery Act has done more than any other factor to do away with child labor in factories and mines.

So at the very least, the N.R.A. codes have brought *four great benefits* to labor. Wages have been raised to a decent minimum; hours of labor have been shortened; employment has been increased; and the labor of children practically abolished.

But the National Recovery Act, as it stand today, is only a temporary measure. It is to end on the first of January, 1935. After that date, employers will be at liberty to return to the old conditions of long hours, low wages, and employment of children. Mr. Olmsted and I believe that to surrender the gains which have been won would be anything but desirable. There is only one way in which the present improved conditions can be continued—and that is to continue the federal law which caused the improvement. So Mr. Olmsted and I believe, this afternoon, that the labor codes of the N.R.A. should be made permanent.

In closing I want to ask our friends from Hastings

one question. Gentlemen, is there any way in which we can make sure of holding the gains which have been made, if we do away with the N.R.A.? I hope that they will deal with this question in their opening speech.

First Negative, Marvin Fink  
Hastings College

LADIES AND GENTLEMEN: Before replying to the question with which Mr. Gentry concluded allow me to express Mr. McCown's and my own appreciation for this opportunity of meeting the representatives from Kansas State College in this discussion. This is not the first time that Hastings College and Kansas State have met in debate and we certainly hope that it will not be the last. This afternoon we are particularly happy to have a part in discussing one of the most vital economic issues of the day.

In opposing the labor provisions of the National Recovery Act as permanent legislation, Mr. McCown and I recognize that we have the unpopular side of the question. We realize that we are likely to be termed unpatriotic and unduly critical. We want you to notice, however, that in opposing the adoption of its labor provisions as permanent legislation we do not need to maintain that the N.R.A. is a failure. Mr. McCown and I have no quarrel with the spirit, the aim or the economic philosophy underlying the National Recovery Act. We believe that it is the duty of every American citizen to cooperate with the President in his work. As a piece of temporary legislation we believe that the

N.R.A. is desirable. Perhaps the blanket code might even need to be extended for a few months, but we cannot accept its present labor provisions as permanent legislation.

Now Mr. Gentry who preceded me has requested that I answer his question, which was, "Is there any way in which we can make sure of holding the gains which have been made, if we do away with the N.R.A.?" Now I want you to notice that the question presumes the benefits which he outlined as sufficient to warrant permanent adoption. Mr. McCown and I believe that since the N.R.A. went into effect only three months ago we should proceed cautiously before adopting the present labor provisions as permanent legislation. It occurs to us that if the N.R.A. is a success, if it does serve to speed up our sluggish economic organization, industry will see its advantages and we will not need to enact permanent legislation. Therefore, I am going to ask the gentlemen this question: "If the N.R.A. achieves its purpose of reviving business and industry, what assurance have the gentlemen from Manhattan that we will need to make it permanent?"

This question leads me to the simple analysis upon which we shall proceed in this discussion. Obviously the N.R.A. will either achieve its purpose or it will not. We believe that if it achieves its purpose, permanent legislation will be unnecessary. If on the other hand, the N.R.A. should fail to achieve its purpose, making its present labor provisions into permanent legislation would be exceedingly unwise.

I shall now show that the present labor provisions of

the N.R.A. are not desirable standards for permanent legislation. In order to do this I shall take up the points that Mr. Gentry discussed.

Mr. Gentry declared that there has been a general rise in wages in the United States as a result of the N.R.A. We cannot doubt that in some instances particularly in the textile and clothing industries, some improvements have been secured. However, there is a general tendency for minimum wages to become maximum wages. An employer raises some wages while he lowers others to the common minimum level in order to equalize his labor cost. For example, in one factory one hundred skilled employees were fired and forced to hire back as apprentice workers. Although their wages were those set by the N.R.A. they were considerably below the previous level. In another plant the employees were reclassified in such a way that while some wages were slightly increased, others suffered losses which nullified any benefits secured. These actions, although they were not within the spirit of the N.R.A. certainly do not violate the requirements of its essential provisions.

Then, Mr. Gentry said that the working hours have been reduced. This is very true in many instances, but the unfortunate element in the situation is that too often the wages have also been cut correspondingly. For example, in the government's own Navy Yards the working week was reduced from forty-eight to forty hours while the per hour pay remained the same. The result was that these governmental employees suffered a seventeen per cent wage reduction because of the

N.R.A. Chicago bus drivers who formerly worked seventy hours a week now work less hours it is true but their weekly pay check has been cut in half. Certainly where per hour pay has remained the same the worker does not benefit economically from a maximum hour policy.

Mr. Gentry has also declared that the child labor provisions warrant the permanent adoption of the N.R.A. I would like to point out that many states already have state child labor laws. There is also a proposed constitutional amendment that has already been ratified by several states. Furthermore, we all know that the textile industry has been the worst offender as far as child labor is concerned; yet, the textile industry's code leaves the enforcement of child labor regulations up to that industry. If those producers fail to enforce the provisions it is useless. We believe that if child labor is to be eradicated it can be done only through compulsory legislation.

Let us now take into consideration the alleviation of unemployment which Mr. Gentry contends has resulted from the temporary work of the N.R.A. When the N.R.A. went into effect the government hoped that five million men would be put back to work. At this time it is impossible to find a recognized authority who believes that more than two million have been re-employed since last June. In other words we still have eight or nine million of unemployed. If we are to adopt the present provisions of the N.R.A. as permanent legislation we could not hope to get these men jobs. Our Secretary of Labor wants a thirty hour week as



does the American Federation of Labor because they say that the forty hour week will not solve the problem. With eighty per cent of our unemployed still without work the Affirmative desires to adopt as permanent, labor provisions which at best are eighty per cent inadequate.

I believe that using Mr. Gentry's own reasons we find the N.R.A. provisions, though they may have improved conditions somewhat, to be inadequate standards for permanent legislation. The unemployment problem has been only partially solved; the enforcement of child labor provisions is left in the hands of those who profit most from the exploitations of child labor; the maximum hours provisions are too high, and the minimum wages too low. In view of these low standards which are serious weaknesses it seems to me that it would be inadvisable to make the present labor provisions of the N.R.A. permanent.

Furthermore, we believe that the N.R.A. is a definite handicap to the great agricultural interests of the nation. The people of Kansas, Nebraska, and other mid-western states are primarily interested in agriculture. Although we are willing to see laws passed which are designed for the benefit of industry alone, we can hardly afford to see industrial prices rise more rapidly than agricultural prices. Today the average for farm prices is considerably below the pre-war level while industrial prices are still above the pre-war level. This means that while the farmer is receiving considerably less for his products than he did years ago, he is paying more for the necessities and comforts of life.

If the administration is going to solve the problem that faces American agriculture it must close the gap between the farmer's prices and the prices of the processed goods which he purchases. During the last three months the N.R.A. has forced industrial prices constantly upward while farm prices have remained the same or have dropped lower. Undoubtedly many of you have been advised by clerks in stores and warned by newspaper advertisements to buy now because the N.R.A. is boosting prices on all orders. This situation has tended to wipe out what increased purchasing power was created by the National Recovery Act in the industrial sections of the country, and has further increased the difficulties facing the American farmer. It was the recognition of this fact which caused Keith Neville, former governor of Nebraska and one of Nebraska's most outstanding Democrats, to resign from the highest N.R.A. administrative position in the state of Nebraska. His resignation as chairman for the administration of the N.R.A. state committee was in protest of the "failure of the N.R.A. to benefit the Agricultural west." Mr. Neville made this statement, "Farm prices have not been increased proportionately to the prices of other commodities. As a result the buying power in Nebraska and other agricultural states has not been increased. The mid-western merchant is being penalized rather than benefited by the Recovery Act. Many actually are facing bankruptcy under present conditions." Since the N.R.A. is making it more difficult for the Middle West we believe its permanent adoption would be undesirable unless the gov-

ernment closes the gap between farm and industrial prices.

There is one more reason that I shall advance for not adopting the N.R.A. labor provisions as permanent legislation. If any social regulation over a long period of time is to be effective it must have back of it the absolute power of the government. The signing of the N.R.A. codes is a purely voluntary matter. For some time there was considerable pressure exerted on everyone to join up with the N.R.A. Now that the flare of the public opinion has died down there is no way to force a man to join. For example, the Ford Motor Company has not signed the blanket code nor the separate automobile manufacturers' code. The N.R.A. blanket code automatically expires on the last day of December this year. If the gentlemen from Manhattan propose to put into effect another blanket code how are they going to secure its adoption by those industries that find the N.R.A. decreasing their profits? If they propose to change the code so as to make adoption of it compulsory they are not defending the present labor provisions.

We should also realize that when an industry such as coal or steel signs its own code with the President, the members of that industry are subject to that particular code rather than the blanket code. The enforcement of the code is then left largely to that particular trade association. If the members of that association fail to live up to their code requirements how is enforcement to be secured? Mr. McCown and I believe that while such enforcement provisions were probably neces-

sary in order to inaugurate a system of controlled industry, any permanent legislation should place the power of enforcement in the hands of the government. Consequently we oppose the adoption of the present provisions as permanent legislation.

Before closing my part in this discussion I wish again to state our position. We are not opposed to the N.R.A. as a temporary measure because we believe that its purpose is highly commendable. We oppose the adoption of its present labor provisions as permanent legislation because we believe, *first*, that they provide inadequate standards for permanent legislation; *second*, that they discriminate against agriculture; and *third*, that the enforcement provisions are utterly inadequate for a permanent policy. In view of these facts we oppose the adoption of the labor provisions of the National Recovery Act as permanent legislation.

Second Affirmative, M. C. Olmsted  
Kansas State College

LADIES AND GENTLEMEN: I have followed Mr. Fink's argument on this question with the greatest interest. Mr. Fink, I understand, is a debater of much experience, having been a member of the team that last year won the state championship of Nebraska. After listening to the skillful manner with which he smoothed out the troublesome points of Mr. Gentry's argument, I am fully convinced that he is deserving of his reputation as a debater. Nowhere does this ability as a debater show to a greater advantage than in his manner

of handling the question asked him by Mr. Gentry. Being unable to answer it, he very cleverly sidestepped it. Mr. Fink has, however, grossly neglected to apply one of the main points of debate. When offering proof to support a contention, specific examples, backed by a recognized authority, must be used. Mr. Fink's examples have been mainly generalities and have no backing other than his own word. It is interesting to note that Mr. Fink agrees with Mr. Gentry as to the desirability of the spirit of the N.R.A., its aims and the economic philosophy underlying it. Such an agreement seems to be a tacit admission that the labor provisions should be made permanent.

In answering Mr. Gentry's first point on higher wages, Mr. Fink has stated that although there have been wage increases in a few restricted areas, the general trend was for a slight decrease in wages. I should like to call the gentleman's attention to the fact that, according to a recent governmental survey that covered fifty per cent of the industries of the country, there has been an increase in payrolls amounting to fifty-six million dollars per week.

Mr. Gentry's second point was that the N.R.A. has given workers shorter hours. Mr. Fink agreed but replied that wages had been cut correspondingly. The two examples he offered were at definite points and did not give a true picture of conditions in general. Had his statements been generally true, the payrolls of the country would show a marked decrease. As we have already shown, the government reports a substantial increase in wages throughout the country.

Mr. Gentry next showed that there had been a marked increase in employment. Mr. Fink's only reply was that the increase was insufficient. I wish to call the gentleman's attention to the fact that for four years previous to the adoption of the N.R.A., unemployment had been steadily increasing and that until its adoption no legislation had been found that was strong enough to check this increase, much less to reduce it. Yet because this evil that had been growing steadily for four years has not been entirely wiped out in the space of less than four months, Mr. Fink is dissatisfied with the measure that has produced the change. Evidently nothing short of a miracle would be satisfactory to him.

Mr. Gentry's final point dealt with the child labor provisions. In attempting to answer this, Mr. Fink stated that a number of states already have child labor laws. To be sure they have, but, before the N.R.A. went into effect, these laws were so poorly enforced that it was possible for industrial concerns openly to disregard them. Examples of such disregard were most apparent in the states of Pennsylvania and North Carolina.

But Mr. Fink raises the question—"If the N.R.A. achieves its purpose of reviving industry and business, what assurance do we have that we will need to make it permanent?" The answer is obvious. Without the control of the N.R.A., we have no assurance that the gains made by it could be retained. With its restrictions removed it is almost certain that employers would again return to the long hours, the insufficient paycheck

and child labor. This would again throw the country into a depression. We cannot allow such conditions to return, for another depression, similar to the last and following it so closely, would cause economic conditions too terrible even to consider. This is our assurance that the N.R.A. should be made permanent.

Mr. Gentry asked a question which was overlooked and before answering Mr. Fink's objections, I wish to repeat that question and ask that it be considered by the next speaker—"Is there any way in which we can make sure of holding the gains which have been made, if we do away with the N.R.A.?"

Mr. Fink has raised three specific objections against making the N.R.A. permanent. His first is that the N.R.A. has not done enough. As I said before, Mr. Fink seems to be a man who demands miracles. A steady progressive growth is apparently unable to satisfy him. I have already shown the increase in payroll as determined by the government. To add to this, William Green, president of the American Federation of Labor, made the statement that the payrolls of all of the industries of the United States showed for the month of September an increase over the payrolls of March of two hundred sixty-five million dollars. By increasing employment the N.R.A., according to a governmental statement issued October 7, had removed one million two hundred thousand families from the public relief. Previous to the N.R.A. the number of families on public relief was steadily increasing. On October 10, the government reported retail sales as being thirty per cent greater than one year ago. Such

figures must convince one that the N.R.A. has done as much if not more than could be expected considering the short period of time it has been in force.

Mr. Fink then brings the charge that too little has been done for agriculture by the N.R.A. This is an odd charge to bring against the N.R.A. for it was never intended to straighten out the farmers' problems, but was conceived solely for the purpose of aiding labor and industry. The men who framed it were wise enough to foresee that the cures for industrial and agricultural ills were so widely separated that it would be impossible to incorporate them under a single head. Perhaps the gentleman has never heard of the Agricultural Adjustment Act, a code similar to the N.R.A. in that it is attempting to do for agriculture what the N.R.A. is doing for industry.

Finally, Mr. Fink tells us that the N.R.A. is lacking in power, that the government has no way by which it can compel concerns to join. The government may have no legal powers to force concerns to join, but they do have very strong inducements. In the first place the government, according to an Associated Press dispatch of October 27, regards the N.R.A. as forbidding governmental purchases of products manufactured by concerns not listed with it. Concerns already enrolled with the N.R.A. have pledged that they will buy nothing from firms not listed, and the concerns under the N.R.A. represent more than eighty per cent of the total. Finally, the majority of the general public have signed the National Consumers' Code and by signing, pledge that they will buy only those products bearing the Blue



Eagle. Faced by the realization that unless the code is signed the greater part of the buying power of the country will be denied them, the few concerns not enrolled will be eager to join as soon as possible. To prevent violations by the companies who have already joined the N.R.A., the government has authorized that violators shall be fined five hundred dollars or imprisonment of not more than six months or both for each offense and that each day the violation continues is a separate offense. Of course, violators would also place themselves under the same heading of those concerns which had not joined. This definite fine or imprisonment added to the three inducements would cause a concern to think carefully before violating the N.R.A.

Now that we have taken up Mr. Fink's criticisms, there are still one or two points I would like to make. In our opinion the most significant thing about the N.R.A. is that it marks a complete change in governmental principle. Up until now the government has concerned itself primarily with big businesses, believing that direct help for them would result in indirect help for labor. The depression proved conclusively that the moneyed interests, in order to protect themselves, would sacrifice labor. To counteract the unfair means used by them, the government took upon itself, by means of the N.R.A., the responsibility for the welfare of labor. It has put a stop to the unfair advantages taken by industry and has guaranteed the laboring class fair wages and a decent standard of living. This responsibility, once assumed, cannot be abandoned. One does not pull a drowning man half way out of the

water and then let him fall back. Upon the welfare of labor depends the welfare of the country and outside of the N.R.A. there are no laws capable of guaranteeing it.

Mr. Fink stated that the principle behind the N.R.A. was right and admits that the improvements made should be continued. The question is how can they be continued? We believe that the best means of assuring the continuation of these principles is to continue the general code known as the National Recovery Act. We do not advocate the continuation of each specific code as it now stands, for even in the short time the N.R.A. has been in effect some parts of it have been found to be inadequate. But we do advocate continuing it by keeping its principles and the basic idea of maximums and minimums, with such slight changes as may be considered necessary, and making it amendable so that it will have the power to be changed in order that it may successfully meet new and unforeseen obstacles that are sure to confront it in the future.

Why should we proceed cautiously before adopting the N.R.A. as permanent legislation merely because it has been in operation only four months? In that four months it has proved itself to be one of the most beneficial pieces of legislation ever placed before the American people. The amount of good that it has done and the still greater amount it promises to do for that class of people who make up the majority of our population proves conclusively that it should be accepted permanently. This government of ours is one of the people, by the people and for the people, and nowhere in the country's history is to be found a law more truly

for the people than the N.R.A. Therefore, Mr. Gentry and I uphold the principle that the labor codes of the N.R.A. should be made permanent.

Because Mr. Gentry's question was not answered in the first Negative speech and because it is a question of importance in this debate, I want to repeat it, and to ask that in their next speech the gentlemen from Hastings deal with it. Is there any way in which we can make sure of holding the gains which have been made, if we do away with the National Recovery Act?

**Second Negative, Hale McCown  
Hastings College**

LADIES AND GENTLEMEN: I have been very much impressed by Mr. Olmsted's case for making the labor provisions of the N.R.A. permanent. He began by very cleverly praising my colleague, Mr. Fink, and then proceeded to tear down his arguments, making it appear by comparison that Mr. Fink was unfortunate in having the wrong side of the question. This was very clever, but it was not original. Aristotle, in his famous Rhetoric more than two thousand years ago advocated this means of establishing one's self as superior in argument.

Mr. Olmsted began his attack upon Mr. Fink by charging him with neglecting to back up his argument with authority. He himself then proceeds during the course of his argument to quote only one authority. Evidently he realized that authority is no better than the reasoning back of it, yet since he can find little fault

with our logic, he attacks us upon the basis of authority, which can always be found on both sides of any question. We prefer, therefore, to proceed on a logical basis. Let us examine their argument and see just how it can stand when tested in the crucible of logic.

Mr. Olmsted charges us with trying to evade their question: Is there any way in which we can make sure of holding the gains which have been made, if we do away with the National Recovery Act? Ladies and Gentlemen, this is a very clever question, but it is what is known as a fallacious question. It is guilty of assuming that which they are here to prove, namely, that the gains made warrant the labor provisions of the N.R.A. being made permanent. It was a very clever question, but it was also very obvious. And so we turn it back upon them and leave you to decide whether or not they prove that there are gains and that those gains justify making the N.R.A. labor provisions permanent.

They are also guilty of arguing beside the point. They try to discredit Mr. Fink's position by saying that he is a man who demands miracles. This is a very popular appeal, but it is no answer to Mr. Fink's argument that the present N.R.A. standards are not adequate for *permanent legislation*. It is not a question of whether the present N.R.A. labor provisions are better than none but whether or not they are as adequate as could be constructed. Mr. Olmsted himself admits, quoting his own words, "Parts of it have been found to be inadequate." That was Mr. Fink's point, and that is one of our main objections to making the present labor provisions permanent.

This leads me to another fallacy in their argument. The gentleman from Manhattan charges us with admitting their case when we agree that the spirit of the N.R.A., its aim, and its economic philosophy are desirable. He says that such an admission is a tacit agreement that the N.R.A. would be a good permanent measure. We cannot see his logic. He is evading the issue. Let me call your attention again to the question under discussion: *Resolved*, that the labor provisions of the N.R.A. should be made permanent. What are these provisions? They consist of the maximum hour, minimum wage and child labor provisions of the blanket code, section 4-A of the National Industrial Recovery Act. In other words, we are discussing the advisability of making permanent the present blanket code, and such specific codes as now are in force under authority of this act. The gentlemen say in speaking of the blanket code and its provisions, "We do not advocate the continuation of it, as it now stands." Yet it is the duty of Kansas State to advocate the permanent adoption of the N.R.A. labor provisions as they now stand. We are not discussing the principle of maximum hours, minimum wages, and child labor, but rather, whether the present provisions covering these principles are the standards which should be enacted into permanent legislation. The gentlemen from Manhattan have shifted ground from what they should uphold, to that which they think they can uphold.

The gentlemen are also guilty of a grave inconsistency. Near the close of his speech, Mr. Olmsted very successfully voiced my own and Mr. Fink's opinion in

this one sentence—"We do not advocate the continuation of it as it now stands, for even in the short time it has been in effect, some parts of it have been found to be inadequate." And a few seconds later he doggedly maintains that the N.R.A. has been wonderfully successful in these words, "Why should we proceed cautiously before adopting the N.R.A. as permanent legislation merely because it has been in operation only four months. In that four months it has proved itself to be one of the most beneficial pieces of legislation ever placed before the American people." It is obvious that we cannot accept both of these statements as true. Of necessity we must accept the former, for we cannot believe that they would tacitly admit that the labor provisions were inadequate, unless they themselves recognize that they are not desirable standards for permanent legislation. This seems to be a rather glaring inconsistency, and a damaging admission to their case.

We do not wish to dwell upon debate technique, but in a case in which they are guilty of begging the question, arguing beside the point, and evading the issue, and in which there exists a grave inconsistency and a most damaging admission, we believe you can have little confidence.

Let us now consider the objections which we raise against making the labor provisions of the N.R.A. permanent. Our first objection was that these provisions are inadequate standards for permanent legislation. We objected to the wage standards pointing out that, although they may have raised wages in some instances, it had not been enough. Mr. Olmsted construed Mr.

Fink's argument to mean that there had been no wage increase, and quoted their one authority, William Green, president of the American Federation of Labor, as stating that the payroll of American industry has increased two hundred sixty-five million dollars since March. Yet in a United Press dispatch of November 6, The American Federation of Labor in its monthly survey reports that "Workers real income was less last month than at the bottom of the depression in March." The Federation said that an increase of six per cent in wages had been nullified by an eight and fifteen hundredths per cent increase in living costs. Ladies and Gentlemen, these facts strike at the very foundation of their case, for they prove that in reality the N.R.A. has not brought about any real gain, and substantiate our contention that the wage standards are inadequate.

We also maintained that maximum hour schedules were not adequate and in some cases had actually brought hardship to some laborers who work by the hour. We gave one example of the government's own workers in the eastern Navy Yards, and another of Chicago bus drivers. These they say, did not give a true picture of conditions in general, giving as their reason, that if it had been true, payrolls of the country would not have shown an increase. I have just shown you by their authority that there has been no real wage increase. Consequently, we maintain that the maximum hour provisions are not adequate.

Mr. Fink objected to the child labor provisions by saying that some states already had child labor laws, and under the code the enforcement of the provisions

are left largely to industry. Mr. Olmsted replied by saying that these laws were so poorly enforced before the N.R.A. went into effect that it was possible for industrial concerns openly to disregard them. If these industries would not abide by the state laws why does he think that they would abide by the N.R.A. when the enforcement is left by that code in their own hands? It is because the N.R.A. code does not provide for compulsory enforcement that we feel that the child labor provisions are inadequate.

The inadequacy of the present labor provisions is apparent when we examine the unemployment situation, which according to Mr. Gentry they were supposed to relieve. Mr. Fink pointed out that eighty per cent of our unemployed are still unemployed, and consequently that the provisions were inadequate. He quoted the Secretary of Labor and the American Federation of Labor as corroborating this argument. Their only answer was that we were expecting miracles. We insist that we must not make permanent labor provisions which are only twenty per cent efficient.

We feel that we have definitely shown you that the present labor provisions are inadequate for permanent legislation. Our next objection is that they discriminate against agriculture, and that we cannot afford to see industrial prices rise more rapidly than agricultural prices. In answer, Mr. Olmsted states that they were never intended to help agriculture, and intimated that we had never heard of the Agricultural Adjustment Act. I am afraid we have, but I am afraid also that Mr. Olmsted has not heard what has happened to agricul-



tural prices under its administration. The price of wheat, corn, hogs, and cattle are all lower than they were in July. President Roosevelt in his radio address of October 22nd, in speaking of the possibilities of obtaining higher prices for farm commodities said, "We cannot reach the goal in a few months, we may take one year or two years or three years." The gentlemen from Manhattan have asked us to adopt as permanent, provisions which have increased the price of all commodities which farmers must buy. Perhaps the farmers may be able to stand these increased costs for a short time, but they certainly cannot afford to absorb these costs over so long a period. Consequently, it is our contention that we should not adopt as permanent, provisions which cause industrial prices to rise more rapidly than agricultural prices. Now, the gentlemen in their closing speech may advocate inflation, but I merely want to point out that inflation cannot possibly close the gap, but merely increases both industrial and farm prices alike.

Mr. Fink's last objection to the present N.R.A. labor provisions was the fact that adoption of the code is purely voluntary, and to be effective must be made compulsory. Mr. Olmsted states that the government has strong inducements to force them to join. We remind you again that the Ford Motor Company has not joined, and that the N.R.A. blanket code automatically expires on December 31 this year. The gentlemen have ignored our question as to just how they are going to secure the adoption of another code by those industries which find the N.R.A. decreasing their profits. We

remind you also that the enforcement of the individual code lies largely with the individual industry. We believe inadequate any provisions which leave the responsibility of cooperation and enforcement in the hands of industry.

I wish to add one more fundamental objection. There are international implications which make the adoption of these provisions as permanent legislation unwise. The N.R.A. has increased the cost of production by increasing labor's wages. This increase of production costs results in rising prices in manufactured commodities in the United States. Since our costs of production are raised, it means that the American producer can no longer compete successfully in the world market. Since it costs him more to produce, he must sell for more, and consequently, he is no longer on an equal basis with foreign producers who can produce more cheaply. We sell in foreign markets, according to government statistics, thirty per cent of our printing machinery, twenty-three per cent of our agricultural machinery, fourteen per cent of our automobiles, forty per cent of our typewriters, and similar amounts of other basic industrial commodities. It is easy to see that we cannot adopt the N.R.A. labor provisions as permanent without a drastic effect upon our already diminished foreign trade. At the same time, this increase of our production costs will enable foreign producers whose production costs have not been similarly raised to dump their goods on our markets, unless we maintain prohibitive tariff walls. If we raise tariffs, which the N.R.A. gives the President power to do if

necessary, it will only augment the retaliations which foreign nations have raised against our Hawley-Smoot tariff. And although the democratic party has committed itself to a lowering of tariffs in order to restore our foreign markets, it is impossible to do so without defeating the very purpose of the N.R.A. We would like to ask the gentlemen, in view of these international implications, just how they expect to adopt and maintain the labor provisions of the N.R.A. permanently.

We have launched four major objections to the case of the gentlemen from Kansas State: *First*, that the labor provisions are inadequate standards for permanent legislation; *Second*, that these provisions if made permanent will place an unbearable burden on agriculture; *Third*, that the enforcement provisions are utterly inadequate for a permanent policy; and *Fourth*, that there are international implications which make the adoption of these provisions as permanent legislation extremely unwise.

In the time which is left to them, Mr. Gentry must remove each of these objections from your mind; and rebuild their case, successfully explaining their fallacies, their inconsistent stand and their dangerous admission that the present labor provisions are not adequate. We recognize that the gentlemen of Kansas State are experienced radio debaters and as we shall have no opportunity to make further reply, we must ask you to examine their argument closely to see whether or not they succeed in proving that the present labor provisions of the N.R.A. should be made permanent.

Affirmative Rejoinder, Don Gentry  
Kansas State College

LADIES AND GENTLEMEN: It seems to me that Mr. McCown is far less interested in the facts as to the actual merits of the N.R.A. that we have brought forth this afternoon than he is in the manner they were presented. He has devoted fully half of his time to pointing out Mr. Olmsted's and my own shortcomings from the standpoint of technical debate. He accuses us of inconsistencies, fallacies, and lack of authority for our statements. These things are really unimportant; yet, I want to take a moment or so to consider whether even these charges are true.

First, Mr. McCown accuses us of being inconsistent in that we uphold the basic principles of the labor provisions of the N.R.A. and still admit that certain individual codes are inadequate. There are two basic labor provisions: First, the setting up of a basic code; and, second, allowing industries to make individual codes more rigid in places. We've said that some individual codes are not so rigid as we'd like. But the shortcomings of these individual codes has nothing to do with the basic provisions of the act.

Next, Mr. McCown charges Mr. Olmsted with quoting too few authorities. Admittedly, Mr. Olmsted used only one important authority—the United States Government, itself. No other authority was needed. And I want you to notice that Mr. McCown hasn't questioned the actual facts as laid down by the Government.

Now, let us turn to the important part of Mr. Mc-

Cown's arguments—those arguments directed against the labor provisions of the N.R.A. itself. First, he says that the labor provisions are wholly inadequate. Like Mr. Fink, he objects to the fact that all unemployment has not been eliminated. And like Mr. Fink, Mr. McCown expects miracles from a piece of man-made legislation. Up to the time the N.R.A. went into effect, none of the measures attempted could stop, or even slow down, the steady increase in unemployment. The N.R.A. not only stopped the steady increase but has turned the tide in the other direction. It has cut our unemployment nearly in half. Surely that is all that could reasonably be expected.

Next, Mr. McCown restated Mr. Fink's objection that the N.R.A. did not aid agriculture. Mr. Olmsted has already told the gentlemen that the purpose of the N.R.A. was not to give agriculture relief; that that was for the Agricultural Adjustment Act to do. So Mr. McCown attacked the Agricultural Adjustment Act. Whether or not the A.A.A. is, so far, a success or a failure has nothing to do with N.R.A. labor provisions.

The gentlemen's third objection was that the enforcement provisions are not strong enough. Mr. Olmsted called their attention to certain specific powers. Mr. McCown did not question the effectiveness of these provisions at all; he merely charges that Ford motor has not joined. According to the last issue of *Time*, although to date Mr. Ford has not signed, he has complied in every detail with the labor provisions. So there seems to be little force to Mr. McCown's objection.

The final criticism made by the gentleman from Nebraska was that the operation of the N.R.A. codes places the United States at a disadvantage in foreign trade. Mr. McCown states that because of the great increases in American wages our industry will be unable to compete with foreign industries. Here is a very interesting situation indeed. In the first part of his speech, Mr. McCown accuses the N.R.A. of not helping—not raising wages—then he does an about face and says that wages have been raised so much that it will ruin our export trade. I want you to note, right here, this admission made by the gentlemen from Nebraska. They, themselves, finally admit that the N.R.A. has been a help to labor, that it has raised wages and increased employment. Now let us see whether or not our export trade is really injured. To injure our export trade the codes will have to raise wages so high that they actually exceed the productivity of labor. That is, the laborer will have to be paid more than he really earns. Surely the minimum wage of fifteen dollars a week set by the N.R.A. is not more than the average laborer is worth to his factory. So I think that you will agree that there is no danger of our export trade being injured.

Having considered these four objections, let us see what our friends from Nebraska have had to say about the benefits secured by the N.R.A. labor provisions. I cited the great increase in employment and quoted government figures as proof. They did not deny a single statement. I called attention to the shortening of hours; they have not ventured to deny the fact. I cited

the abolition of child labor, and our friends made no denial. I cited a raise in wages of over fifty-six million dollars a week, nearly three billion dollars a year. Only on this point have they raised any objection. Mr. McCown says that we have had only a six per cent increase. It seems that Mr. McCown must be slightly mistaken in his arithmetic. In the boom year of 1929, the total wages in all factories, according to the United States Department of Commerce was less than twelve billion dollars. On the basis of that figure, a wage increase of three billion dollars a year would give us increased wage payments of more than one-fourth or twenty-five per cent. Figures for the year of 1932 are not available, but undoubtedly they would be far below those for 1929—so the increase in wages resulting from the N.R.A. would amount to at least thirty-five or even forty per cent of the 1932 level. So, Ladies and Gentlemen, it is evident that the N.R.A. has proved itself a benefit.

Now we come to the basic question. Here we have certain definite gains admitted by the gentleman from Nebraska? Shall we continue the method by which these improvements have been brought about? We asked the gentlemen to tell us how, if not by the N.R.A., we could insure the permanence of these improvements. Mr. Fink neatly side-stepped the question. When Mr. Olmsted renewed the inquiry, Mr. McCown also side-stepped. The only conclusion is that the gentlemen from Hastings have no better method—no means to insure that these definite improvements can be retained. By refusing to answer

this vital question, they have admitted that the N.R.A. offers the only possible means of retaining the benefits which have been gained. Ladies and Gentlemen, these benefits which have come from the labor codes of the N.R.A. warrant every effort to make them permanent. They can be retained only by means of the N.R.A. So Mr. Olmsted and I believe that the labor provisions of the N.R.A. should be made permanent.

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# STABILIZATION OF THE DOLLAR

## *Extension Debate*



# STABILIZATION OF THE DOLLAR

## MARQUETTE UNIVERSITY AFFIRMATIVE VS. WASHINGTON UNIVERSITY NEGATIVE

This debate on the money question, one of the lively issues of the debate year, was held before the Economic classes of the Hadley Vocational High School. The decision was taken on the shift of opinion plan—the audience voting before the debate and again after the discussion. The side changing the more votes wins. The decision was won by the affirmative team.

The Manuscript of this debate was submitted by Professor Robert F. Young of Washington University, Director of Forensics, the Marquette debaters and Coach cooperating.

The question was stated, *Resolved: That the United States should provide for the stabilization of the dollar.*

### First Affirmative, John Faller Marquette University

LADIES AND GENTLEMEN: In opening this debate before this very fine audience this afternoon, I am somewhat at a loss for the proper form of introduction. It reminds me of the predicament of the famous lecturer who was called upon to address the prisoners at Sing Sing. He started off—"Ladies and Gentlemen," then looking at his audience discovered that he was speaking before an all male audience; then, he selected—"Fellow Americans"—but saw immediately that it was inapplicable as a great part of the audience was

composed of foreigners that had never become American citizens. Finally in desperation he shouted, "Well, anyway I am glad to see so many of you here."

We from Marquette feel the same way this afternoon. It is a pleasure to be here before this very fine audience, and I want to extend my congratulations to you students for your very excellent work. We debaters have been conducted on an inspection tour through your school and were amazed at the amount of work, as well as at the superior quality of all of it. I have been told that it is typical of all activities in your city of St. Louis.

This afternoon we are here to debate with our friends from Washington University the question, *Resolved: That the United States should provide for the stabilization of the dollar.* Let us for a few moments go back into the history books and see how we came to use money, and how it has developed as an integral part of our economic civilization.

The history of money reads like a fascinating novel. Journeying back to the days of the barter system, we find commerce limited to the walls of the community. The people had to gather on the public square and exchange their wheat for animal skins, or their cloth for spices, or a horse for a quantity of wood. However, their desires grew larger, and they wanted more and more things,—many of them were not produced in the immediate community. But, someone who had made a trip to a neighboring city and had seen articles which could be used in the first community prompted the beginning of trade between cities, then between states,

and finally between nations. The trade guilds, with the famous merchants of Phœnicia, Carthage, and much later, Venice, developed a medium of exchange because it was very obvious that often the man from whom one wanted to procure a certain article of merchandise had no use for the article that another had to exchange, so trade was hampered considerably without it.

Now among the essentials of this medium of exchange were that it could pass freely from one person to another, that it would not spoil or disintegrate, that it would be fairly rare, and would possess value. The nations of the earth have almost universally adopted gold and silver as their media of exchange because they meet all these requirements.

But our business men were not satisfied with having developed this "Buy as you can pay" system. We had to speed up the business of the country and so we developed credit. By it men could get goods at times when they were unable to pay for them in cash, bringing into use a new kind of currency leading to the substitution of bank credit for actual coin. To demonstrate how nationwide this practice is, let us note that we have only about twelve and a half billions of dollars worth of gold in the world, and that the United States has about forty per cent of this sum at the present time. We do ninety per cent of our business in the United States by means of deposit currency. Thus the figures for our bank deposits in commercial banks are of particular importance to us in estimating the volume of a circulating medium. It is, therefore, obvious that

the question of stabilization of the dollar involves not only gold and silver, but also credit and confidence.

According to the *Encyclopedia of Banking and Finance* (1931), the theory of the stabilized dollar is one in which there is a conversion of the present gold standard into a true commodity standard. Instead of a dollar having a constant weight and varying purchasing power there would be a dollar of constant purchasing power and varying weight.

Mr. Charles P. White, in the *Annals of the American Academy of Political and Social Science* tells us that to be socially desirable any effort to stabilize prices must not be by a rigid fixity of prices, but by a flexible system under which sudden changes in prices are prevented by an accurate, far-sighted, knowledge of demand and by a control over production in accordance with demand. The aim in stabilization should not be to prevent all changes but to prevent the evils of fluctuation and inflation. There must be enough flexibility to allow for variations in the price level, changes in the cost of production, and shifts in demand.

With your permission, for purposes of clarity in the remainder of the debate we shall consider the question of stabilization under two aspects, namely domestic trade and foreign trade.

Now let each one of us ask himself why stabilization of the currency is necessary. I suggested only a moment ago that it is necessary to prevent the great fluctuations in the general price level. Let us consider the point in more detail. According to the Bureau of Labor Statistics the Wholesale Price Index varied from



68.1 in 1914 to 114.4 in 1920, down to 96.7 in 1922, up to 103.5 in 1925, down to 96.5 in 1929, and down to 64.8 in 1932. From these figures we see that during the World War prices nearly doubled, while from 1928 to 1932 prices dropped over thirty-three and one-third per cent.

But, you ask, what difference does this rise and fall of prices make? Is it so very important? Ladies and Gentlemen, it is extremely important, because this variation in prices is a great disrupting force in business. It reduces profits under our present system, and results in many instances in a change from a profit to a loss. For example, let us take the instance of the boy over here in the front row. Let us assume that his father buys a radio for one hundred dollars. Very soon the price falls to eighty dollars due to price changes and the fluctuation of the currency. The father has lost twenty dollars in the transaction.

There are, however, other evils which come as a direct result of a fluctuating currency. One of these evils is the curtailment of investments when money is high, with the consequence that our capital goes abroad as was the case in early 1933. Then, when money begins to fall, when the value of the dollar decreases, capital is brought back for the purpose of speculation, which in turn results in a great profit when the capital is converted from a stable foreign currency into low United States currency. To my mind, this is an illegitimate profit, a profit which is not earned, but is pure gambling and speculation; a sort of profit which is the

cause of stock market breaks, the like of which form the background of a depression.

The practical results of this fluctuation in currency values, and please remember that if it is not stable it fluctuates, is that dealers are afraid to stock goods. The man in the drug store is afraid to purchase a large stock of perfumes because tomorrow the currency may fall, and he will not get back from their sale what he has invested in their purchase. With this constant fear, due to an unstable currency we develop "shoe string business men," and "fly-by-night" dealers. This type of business is surely not to the best interests of the country. With the fear and the lack of industrial expansion, we have the constant worry over the unemployment problem, which will mean that more men will be unemployed at times due to lack of currency because there will be no such thing as a stabilized business activity without a stabilized currency, or dollar.

Now then, Ladies and Gentlemen, these price fluctuations are unfair to the business man. But, what about the laborer? I hold that they are equally unfair to him. It is accepted fact by practically every economist of repute that wage increases do not keep pace with price increases. Let us indicate this statistically. Again we refer to the Bureau of Labor Statistics. Taking the cost of living in 1913 as the index number of one hundred, our cost of living in 1929 was 170.8 while our wages increased to only 136.4, a difference of 34.4 between wages and costs of living. Due to this change in wages and the cost of articles, the standard of living of the worker is directly and greatly

affected. It is reduced, because his purchasing power is reduced. It is interesting to note, moreover, that this is another contributing cause toward a depression.

There is another great class of American citizenry that is affected by the fluctuations of the dollar, and that class is the farmer. Sudden changes in price levels are unfair to the farmers of the country, because when general prices drop farm prices react much faster than other products. Since the farmer has to purchase from the city dealer all his supplies, when his income is rapidly reduced by a change in the value of the dollar, he cannot purchase them because they are still at their previous high prices. For example, according to the department of Agriculture and Labor (1932) in 1914 the farmer received for his products seventy-two dollars and paid sixty-five dollars for commodities bought, in 1921 he received one hundred twenty-one dollars and paid one hundred four dollars, but in 1930 he received eighty-four dollars and had to pay ninety-four dollars, while in 1931 he received fifty-eight dollars and had to pay eighty-one dollars. He was thus paying under the high dollar more than he received—if you take two buckets of water out of a tub to every one that you put in, it is only a matter of time before the tub is dry. The same was the case with the farmer. Soon he could not earn a living and we had the sheriff taking over the farm on a foreclosure sale.

Now the last reason that time will permit me to enumerate here in St. Louis this afternoon, as a basis for the stable dollar, is that without it investors cannot save for the future. Increased prices may make wholly

inadequate the income from the investment that was intended to take care of the investor, or perhaps provide for him in the future by means of insurance, or pensions. Likewise a drop in prices may make it impossible for him to get any earnings on stocks and bonds in which his money has been placed, with some feeling of security. Professor Edwin Walter Kemmerer tells us in the *Bankers Magazine* for March 1929, that in the period from 1924 to 1929 the fluctuations of the unstable dollar blindly robbed some and enriched others to the extent of about forty billion dollars.

Thus we see that with rising prices, widows, orphans and salaried officials are all subject to ruin by the fluctuations of the dollar, with the falling of the dollar, merchants, manufacturers and farmers are thrust into the bankruptcy courts because they can not meet their obligations.

Therefore, we of the Affirmative, maintain that the dollar must be stabilized to prevent this unhealthy condition of a fluctuating currency, which I have shown to be inequitable to the farmer, the laborer, and the investor, in fact to all classes of society.

First Negative, Bertram Tremayne  
Washington University

LADIES AND GENTLEMEN: Before I address myself to the subject of debate may I take the opportunity to welcome sincerely the gentlemen from Marquette University. The forensic relationship between your school and ours has for some time been a very close one and

my colleague and I are honored to be able to continue it.

But now let us turn our thoughts to stabilization of the dollar, this complicated monetary problem which is so fascinating. Mr. Fowler's speech, briefly summed up, is this. There have been price fluctuations; they are detrimental to everyone; they are due to fluctuations of credit and currency and nothing else; and we should do away with them and thus solve our problems. The plan by which they propose to do this, except for vaguely mentioning price fixing, has been left for the second Affirmative speaker. I propose now to point out some of the fallacies that exist in any plan for stabilization of the dollar.

Fluctuations in the price level we admit and certain of these fluctuations injure the various groups which make up this country. In our opinion, however, there are other price fluctuations which have desirable and vital functions and which we believe should not be destroyed. A stable level of prices or a near level of prices would destroy them. For example, moderate fluctuations of the price level over relatively short periods of time, through their effect upon supply and demand of goods, have been important factors in the regulation of business. If there is a lack of balance in business and a consequent surplus of supply over demand, a falling price level tends to decrease production and increase consumption, with the result that business returns to a near level of balance. The same tends to follow when, instead of a surplus, there is a scarcity. Realizing the importance of this, Dr. Lionel D. Edie,

an authority on money, says that, "It is quite impossible to stabilize both prices and industry at the same time."

Not only would stabilization of the dollar or stabilization of the price level destroy the value of these short time fluctuations, but it would also make impossible the secular or long time price trends, either upward or downward. W. H. Steiner in *Money and Banking* believes that as the costs of production decrease through increased technological efficiency, the profits which result should be passed down to all consumers by a gradually decreasing price level. Others, among them Dr. Hjalmar Schacht, head of the central bank of Germany, believe that the aim of monetary policy should be to produce a gradually rising price level, the presence of which would undoubtedly stimulate business activity. That these groups desire changes in the price level in different directions does not destroy the value of the argument. They both realize the value to be obtained from a changing level of prices and believe such a level far more desirable than a stable one.

But let us assume for the sake of argument that these objections to the desirability of a stabilized price level do not exist. The next step is to question the workability of any stabilization system. From a practical standpoint we are of the opinion that its chance for success would be remote. There are innumerable objections and difficulties which would arise were a plan for stabilization attempted to be put into order.

First, at what level should the dollar be stabilized?

Very few want to stabilize at the present level. Our opponents favor the 1926 level which, to be reached, would require a substantial rise from where we are now. But consider a moment. Over fifty per cent of the debts now in existence, according to Irving Fisher, were contracted during the last year, a year of low prices. A substantial rise in the price level, which would be necessary in order to reach the 1926 level, would only further aggravate the injustices in the relationship between debtor and creditor, injustices which the Affirmative proposes to do away with. And they suggest a rise to the 1926 level!

Even if we consider that in some mystic way the 1926 level has been reached without the expected harm to the debtor and creditor aspect, the difficulties and objections are not solved. They would call this chosen level one hundred per cent. For succeeding periods the average of prices would be found and if any fluctuations of the price level from one hundred per cent were noticed, either up or down, certain corrections would be applied in order to force the level back to one hundred per cent. It all sounds very simple, but it's not. One of the difficulties is that this general level of prices, or index as it is called, is not so easily found and the final result is very likely to be false. The index or general level is supposedly found by averaging a group of individual commodity prices. All prices are not averaged. Exactly which should be taken then? Should we take wholesale prices, the most sensitive, or should we take retail prices, those which are most directly concerned with consumers? Which individual

prices should be taken and what relative weight or importance is to be given to each? The answers to these questions will be as numerous as there are regions and individuals and furthermore they would be subject to constant change because of changes in taste. Even with the prices and weights decided upon the result would depend upon the method used in averaging them—a different method, a different result. In addition to these opportunities for error there would be a lag of several months between the existence of the prices and the computation and administration of the correction, with the result that a correction based upon what the level was several months ago might be applied to an entirely changed price level. In short the very heart of price stabilization, computation of the average price level and the administration of the correction, is subject to serious difficulties and objections.

But let us again generously grant to the opposition the successful solving of the index formation and pry deeper into the situation. Monetary stabilization does not mean individual price stabilization, but stabilization of the general level. This being the case, it is quite possible for a group of prices, let us say agricultural prices, to exist at seventy-five per cent and another group, industrial prices, to be at one hundred twenty-five per cent. No dislocation of the one hundred per cent index is found for the groups balance one another. They may fluctuate widely, but as long as their fluctuations balance, some upward and some downward, no instability of the general price level is noticeable. This is exactly what happened in Sweden under a stabilized



general price level. The prices of imports to Sweden increased thirteen per cent and domestic and export goods fell nine per cent in price. The result was that she paid thirteen per cent more for what she imported and received nine per cent less for that which she sold domestically or exported.

There is another objection which arises here. Using the same hypothetical example; agriculture at seventy-five per cent, industry at one hundred twenty-five per cent, if the price level of agricultural products rose and industrial prices remained the same an upward change in the price index would be noticed and would necessitate a downward correction. The correction however, would not only be applied to agricultural prices which had alone risen, but to the price level in general and industrial prices which had made no move at all. It would be forced unjustly downward, with great injury, of course, to all marginal producers and retailers of industrial goods.

Another objection which is worthy of consideration is that no policy of stabilization could hope to work during a period of war. At that time prices are necessarily high, partly because of a sudden increase in demand and partly for other reasons. No one, not even the most ardent stabilizationists will deny this. This should be borne in mind as it may be further considered.

I have been discussing difficulties and objections of prime importance. These would exist even if the men who controlled the stabilization policy should prove at all times to be honest and intelligent. Unfortunately

the past few months and years have proved beyond a shadow of doubt that our high officials are not always either honest or intelligent. Political, industrial, and social pressure would constantly be pressing for favors which would seriously tax the honesty of our public servants. That their intelligence is not always sufficient is not questioned and this is further confirmed by Dr. Adolph C. Miller, Federal Reserve Board representative, who admitted at hearings on the Strong Bill that "The members of the Federal Reserve System are not economic statesmen and they are frequently in the dark as to the consequences of their acts." I see no reason to believe that officers of the stabilization body would be superior in either of these qualities.

If they could approach that angelic state of purity and if stabilization met all of the previous objections, their very stabilization activities would necessarily cause fluctuations in the international exchange rates which from time to time would cause losses to the holders of international contracts. The blame for those losses, you may rest assured, would fall upon the administrators and as J. S. Lawrence says, that body would become the unwilling cast of a Roman holiday in the arena of American politics.

To sum it up in a few words then, a stabilized dollar would destroy some very necessary and desirable fluctuations of prices and in that respect it is not desirable. Furthermore, the policy would bring about difficulties and objections which cannot be justly solved, and for this reason it is impossible.

**Second Affirmative, Ernest Eisenberg**  
**Marquette University**

LADIES AND GENTLEMEN: You look tired, and weary, and bored. And I, for one, do not blame you. This question of stabilizing the dollar has put more than one audience to sleep, and frankly speaking, has given more than one debater a headache. It has befuddled our Congressmen, baffled our financial writers, and so bewildered our economists, that today there are supposed to be only twenty men in this wide world who really understand what the stabilization of the dollar is all about. And to be very candid with you, we of Marquette do not claim to be included among these twenty.

But lest you feel too sorry for yourself, just remember the story of the Kansas City Babbitt who was entertaining a business friend from New York. It seems that the gentleman from Kansas City was a bore—oh a most frightful bore—and with the typical, irritating, sickening stupidity of the professional Babbitt insisted upon showing the fair spots of Kansas City to his friend from New York. He displayed to him the skyscrapers of Kansas City, the parks, the boulevards, the stock-yards, the homes, the factories, in short, everything he could possibly exhibit. Finally the gentleman from New York exclaimed,

“Great Scott! This city will make one of the finest sea ports in the world.”

The Babbitt lifted his eyebrows in astonishment.

“Sea port!” he echoed. “But we have no water here.”

"Humpf! That's simple," the New Yorker replied. "Just lay a pipe line from here to the Atlantic Ocean. Put your mouth at one end, and, my friend, if you can suck the way you blow, you will have all the water here that you can possibly need."

Now, my friends, we are not in the pipe line business; we sincerely hope that the gentlemen from Washington University are not engaged in that commercial pursuit; but at this point of the debate we find it imperative to clarify some of the definitions and issues which have been misconstrued by the gentlemen of the opposition.

First, we should like to repeat that by our definition of the stabilized dollar we mean a dollar having a constant purchasing power. And second, we should like to assert once and for all, that we are not advocating in this debate the adoption of the Warren or the Fisher Commodity Dollar. Much as we admire the eloquence of the first speaker of the opposition, much as we agree with his arguments against the Warren Dollar, we are forced to point out at this time, that the gentlemen from Washington University have set up a straw man only to knock it down again, that they have focused their whole attack against a plan which we never proposed and which we never intended to propose. Stabilization of the dollar can be accomplished by more than one method, and we are inclined to agree with the Negative in saying that the commodity dollar plan of Professor Warren is not the most feasible method.

But we do not agree with the Negative in saying that the Warren Commodity Dollar is the only plan for

stabilizing the dollar, and in the next few minutes we shall proceed to show you how the dollar can be so effectively stabilized as to prevent the evils of fluctuation, inflation, and deflation. Before we enter into a discussion of this plan, let us first obtain a correct perspective of the relationship between gold and silver, and money.

Perhaps the most common fallacy entertained by the American public is the belief that as our supply of gold and money increases, so will our prices increase; and that as our supply of gold and money decreases, so will our prices decrease. According to the Report of the Secretary of the Treasury for 1933, the total amount of money in the United States in 1920 was eight billion one hundred fifty-eight million four hundred ninety-six thousand dollars; while the total amount of gold coin and bullion was two billion eight hundred sixty-five million four hundred eighty-two thousand dollars. By January 31, 1933, the total amount of money had increased to nine billion six hundred ninety-four million one hundred twenty-five thousand dollars, a gain of more than one billion five hundred million dollars or approximately eighteen per cent. By January 1, 1934, the total amount of gold coin and bullion had increased to four billion twelve million dollars, a gain of about forty per cent. Under the new system of pegging the dollar at sixty cents, we now have about seven billion two hundred million dollars of gold coin and bullion in the United States, or more than two and one-half times as much as we had in 1920.

According to the theories of all orthodox economists

our prices in 1933 and 1934 should have been anywhere from eighteen per cent to one hundred per cent higher than in 1920. Yet as a matter of fact, they were practically fifty per cent lower. According to the economists, such a decline of prices in the face of so phenomenal an increase of gold was an impossibility. Yet you and I both know that it did take place. What then are we to believe? My friends, we must come to the realization that the stability of the dollar does not depend upon its relationship to gold or to silver, but that it is based first, upon the wealth of this nation, and second, upon the confidence of our people in the continued smooth operation of our economic machinery.

We could take every gold coin in the United States, every bar of gold bullion, place this treasure in a huge vault, and sink the vault into quick-sand, and our nation would remain potentially as rich as ever before. But we could not destroy ten power-houses, wreck ten railroad lines, dynamite ten of our largest sky-scrapers without impairing to a measurable extent the wealth of this country. The stability of the American dollar is based upon the continued production of goods in the United States. The stability of the American dollar is based upon credit and upon confidence. If you want to know why 1934 prices are but sixty per cent of 1926 prices, if you want to know why an increase of billions of dollars in our gold supply could not halt a price decrease, you must understand this essential relationship between credit, the dollar, and prices. You must understand that our stocks and bonds which passed as money in 1928, have during the past five years shrunk

from a value of more than three hundred billion to approximately thirty-five billion dollars. You must understand that to stabilize the dollar in the United States, we must do it not by any mere mechanical method of purchasing gold, but rather by a scientific stabilization of our entire economic structure.

To accomplish such a stabilization of the dollar, we of the Affirmative propose the following plan:

1. The United States Government should establish a strong Federal Central Bank, which shall own all the gold and silver in the United States; which shall have complete control over all exports from this country and imports into it; and which shall maintain a central planning bureau for American industry and American agriculture.

2. The monetary system of the United States should be divided into two separate groups: the first, a domestic dollar based upon the production of goods in the United States; the second, a foreign trade dollar based upon an international gold-silver standard.

3. Domestic prices should be fixed at some definite level, preferably that of 1926, so that the huge total of debts incurred at the 1926 price level could be paid back with 1926 dollars. For example, the price of a bushel of wheat could be stabilized at one dollar per bushel. Prices of all other articles could be fixed accordingly. The United States Government through its Central Bank would act as a purchasing agent of all goods produced in this country. It would be a criminal offense for anybody to sell above or below the fixed price. By providing a definite price for commodities,

agricultural and industrial producers would be encouraged to produce to the limit, since the more they would produce, the more they would get.

4. The Central United States Bank and its various branches would pay out in paper dollars the fixed value of the goods and commodities produced. Thus if eighty billion dollars of goods were produced in one year, the Central Bank would pay out eighty billion dollars in paper dollars, thus giving to the nation a purchasing power equal to its producing power. If production were to increase to one hundred billion dollars the next year, the Central Bank would pay out one hundred billion dollars in paper dollars, thereby providing for a proper ratio at all times between production and consumption.

5. The Central Bank would sell the nation's production back to various wholesalers, and retailers, making a profit or charge of ten per cent which would be sufficient to provide for the expense of maintaining the government, and for the cost of planning a mammoth public works program.

6. The national planning department of the Central Bank would survey the nation's needs, consumption, and demand for certain articles. Armies of statisticians, economists, and business men would be employed to keep the distribution of goods free and undisturbed. A proper ratio between industrial profits and capitalization would be worked out. Labor would be guaranteed a minimum wage, necessary to maintain proper consuming power; capital would be guaranteed a minimum profit, necessary to encourage private initiative.



7. In order to provide for decreasing costs of production, and in order to encourage efficiency in manufacturing, extra dividends or profits would be paid to those industrialists who discovered newer and cheaper methods of producing their goods.

8. The Central Bank would have complete control over exports, imports, and foreign loans. Thus, if there was a surplus of cotton, or grain, the Central Bank would export this surplus, and with the foreign credits thus obtained, purchase supplies of rubber, silk, sugar, and other commodities not produced in the United States. Manufacturers would place their orders for foreign products with the Central Bank, and would pay the price fixed by the Central Bank. By placing complete control of foreign loans in the hands of the Central Bank, the American people would be able to avoid the repetition of the 1926-1929 era, when our private bankers floated every possible type of foreign bond issue, merely to rake off a profit in their commissions.

9. For the purpose of foreign trade, the Central Bank would issue a dollar based upon a gold and silver standard. In this manner, the United States would make itself water-tight as an economic unit, by possessing a domestic medium of exchange which would remain unaffected by foreign production and foreign speculation. Domestically, our money and our prosperity would be dependent upon our annual production of goods and services. The more we would produce the richer we would be.

10. Americans who wished to travel abroad, would

have to convert their domestic dollars into foreign dollars by applying to the Central Bank for a credit establishment. In this manner criminals and fugitives from justice would never be able to take any large sum of money out of this country, since our domestic dollars would be worthless outside of the United States.

This, in short, is the plan that we of Marquette propose. No doubt it appears wild and radical to you; no doubt it seems to be new and typical of the twentieth century. But, my friends, there are few plans and few theories which are altogether new. I should like to refer you to Plato, as this time, to his volume, *Laws—Book V*, p. 742.

“The citizens will require a currency for the purpose of everyday exchange; this is practically indispensable for workers of all kinds and for such purposes as payment of wages. To meet these requirements, the citizens will possess a currency which will pass for value among themselves, but will not be accepted outside their own boundaries.”

Perhaps Plato did not know very much about the workings of the Federal Reserve System; perhaps he had never heard of such a thing as short-term loans, or call-money; perhaps he had never experimented with price-indices; but, my friends, the wisdom of his statements have survived the strain and stress of two thousand years, and today are as fresh and as true as when he first uttered them in ancient Greece.

And so before we of the Affirmative close our case, we should like to review what we have proved to you this afternoon. My colleague has shown you that sta-

bilization of the dollar is necessary to American society in order to protect the laborer, the business man, the investor, and the farmer from the evils of a fluctuating dollar. He has shown you how the instability of our money has at regular periods impoverished either one group or another of our nation, and how it has been one of the greatest factors in causing and in prolonging our business depressions.

In continuing our case, I have tried to show you that our dollar can be stabilized independently of a gold base. I have shown you that we can divide our currency into domestic money based upon the production of goods, and into foreign money based upon a gold and silver standard. I have shown you how by fixing prices at a definite level, how by making the value of goods and the value of money synonymous, we shall always possess a currency of a constant purchasing power, we shall always possess a currency which will give to our people a purchasing power equal to their producing power. Under the plan we have proposed, our nation will possess a monetary system of steadfast reliability, together with an industrial structure of maximum efficiency. Under the plan we have proposed, all Americans, whether they be farmers, laborers, investors, or business-men will be assured of a security and a prosperity never before known in world history.

**Second Negative, Martin Bronfenbrenner**  
**Washington University**

LADIES AND GENTLEMEN: It seems we have a wildcat in our midst. Talk about economics—it sounds like William Jennings Bryan at his best!

They flay Mr. Tremayne for not waiting for their plan to attack it! Why, Mr. Tremayne's objections apply to any stabilization plan. The only reason they can't be tied down to this one is that they apply to specific details and the Affirmative is too busy stargazing in the blue empyrean—consult the dictionary—to get down to earth and bother about details. Remember those Russian balloonists a few weeks ago and the trouble they had getting down to earth? My opponents are having similar difficulties, but for their sake if not for the country's I hope their end will be a little happier.

Just to satisfy the gentlemen, though, there are some objections to their plan which do not apply to the common or garden variety of stabilization proposal. One is that it is based on the fixing of individual prices of all commodities. They tried that scheme on one commodity—coffee—in Brazil. It failed, practically wrecked the country, caused half a dozen revolutions at once and they are paving the roads with coffee down there. They tried it in the Malay States on rubber—the Stevenson plan—and it failed again. They tried it here on wheat, and our Farm Board came out something like two hundred million dollars in the hole. And my opponents propose to apply that sort of price-fixing

to all commodities. Gentlemen, we have a ten billion dollar deficit right now. Have mercy on us! You know, they have a Socialist for Mayor in Milwaukee, but they haven't yet turned the city over to the tender mercies of Marquette University. That's something to be thankful for.

Another defect in the Affirmative plan is that it guarantees a six per cent return to capital, regardless of waste, regardless of production. I know they say they will bar new firms from entering the field, but what good will that do, when no basic industry produces to capacity at the present time?

And still another defect—this gigantic, monopolistic Central Bank of the United States they are going to foist upon us. We have tried central banking twice in this country, and given it up each time. Australia has a central government owned banking system at the present time. In 1926, a year of prosperity, the Australian national debt—the per capita debt—was three times as large as is our own in 1933, a year of depression.

As a matter of fact, except for these specific objections to this specific chimera, Mr. Tremayne has already given you the general outlines of the Negative case this afternoon. He started by showing that under certain circumstances either a short or long-time rise, either a short or long-time fall in prices may be more desirable than stability. And then, without yielding this point, he proceeded to list certain practical objections to stabilization plans, which seem to us to

render them extremely impractical. To refresh your memories, let me list them:

1. Difficulties connected with setting a just price level.

2. Difficulties connected with selection of prices and weights for index numbers.

3. Difficulties connected with the calculation of those magic index numbers.

4. Difficulties connected with the selection of the managing personnel.

There are four fundamental groups of objections. The first four.

In the course of his discussion Mr. Tremayne just mentioned difficulties connected with foreign trade. Let me elaborate on this point. Those difficulties enter the moment one goes about fixing the level of stabilization. To set too high a level increases domestic costs of production, measured in foreign exchange, and hence means a loss of world export markets. To set too low a level is an invitation to a trade war, and that means discriminatory tariffs, quotas, even embargoes. As an example of the first case, recall Great Britain's experience in 1925. As an example of the second, witness our present situation. We have a two billion dollar fund to keep the dollar at five to the pound. Great Britain has a similar fund to keep the dollar at four to the pound. As an example of the futility of trusting to international cooperation in the near future, remember the fiasco of the London Conference last summer.

But even if a level satisfactory to other nations is reached, where are we? Under gold, supply and de-

mand on the foreign exchanges may act only within the limits of the gold points—from two tenths to four tenths per cent of a fixed par value. Remove the fixed par value, as you do by varying the weight of gold on the foreign exchange dollar, and an additional highly speculative factor is introduced into foreign transaction. There are enough speculative risks already. Add this additional one and all foreign trade is seriously hampered. Thus runs the argument of the economic adviser of the largest bank in America, the bank with the greatest extent of foreign connections. The author, Dr. Benjamin Anderson; the book, *The Gold Standard versus a Managed Currency*.

I suspect the Affirmative of planning to reply: "What of it?" Foreign trade is only ten per cent of our total trade. Yes, but over fifty per cent of our cotton is exported, over thirty per cent of our wheat and tobacco, over twenty per cent of our petroleum and machinery of various kinds. Were we to attempt to dispense in short order with that ten per cent of our trade, said Oswald Garrison Villard, ex-editor of *The Nation*, in the *Post-Dispatch* the other evening, we should have drastically to readjust the economic life of some fifty million Americans, with little hope of reaching previous standards of living.

Those are two aspects of the foreign trade problem. Here is a third, speculation. Assume the Affirmative's plan in operation. Assume the present situation, with prices falling. The government plans to expand currency and credit supplies to cause a rise. But the same fall causes withdrawal of foreign gold and the credit

for which it serves as base from the American market. This withdrawal causes a decrease in the available currency and credit supply, precisely the effect which the governmental policy is trying to avoid. It is easy to see how legal speculation would obstruct governmental policy in the converse situation. Furthermore, speculators could carry on similar activities here in America, through the intercession of foreign branches, agents, or correspondents. Thus last week's *Time* reports American speculators making three per cent a day by somewhat similar transactions on the Paris market.

The only way to prevent this is to make foreign exchange a government monopoly, which I observe the Affirmative has sense enough to avoid proposing. I wish their rebuttal speeches would clarify this "dual dollar" of theirs a little bit, however. Exactly what is the inter-relationship of the two components to be?

Now let's come home from abroad, and attack a portion of the Affirmative case that seems to me even more fundamental than this last group of arguments about foreign exchange and speculation. The Affirmative is going to control the price level, first by a production-control scheme which I have shown you is unlikely to work, and second by controlling the volume of money and credit. It then makes the assumption that prices are mathematically linked up with the quantity of money and credit in circulation. That assumption is as old as Confucius and is known as the quantity theory of money.

It is a truth, and that is where its danger lies. It is a truth—a *half truth*. Money and credit do influence



prices, but so do other factors, to such an extent that the relation between the quantity of money and credit and the price level ceases to be mathematically precalculable.

Money and credit do influence prices, but so does the velocity with which they circulate. All the money and credit in the world, buried in my back yard, where a great deal of it is at the moment, would not influence the price level in the least. And this velocity is by no means a constant. I see that the gentlemen have brought *Kemmerer on Money* down from Wisconsin with them. They don't seem to have read it, but if they will open their copy and turn to page 148 they will discover a table of credit velocities in one hundred forty-one American cities. The annual rate of circulation—or rather, the number of times a year in which each dollar has changed hands—swings up and down erratically. It has swung as high as ninety-five, as low as twenty, in the past five years. And that's the *first* question mark of stabilization.

The price level depends upon the quantity of money and credit, but so does it depend upon the quantity of goods offered in exchange for the supply of money and credit. The late Professor J. Laurence Laughlin of the University of Chicago, economic advisor to the National Monetary Commission in 1910, has always claimed that this was the most vital single factor in the entire exchange equation. My opponents seem to agree with Professor Laughlin here, and their plan does include an extremely vague and impractical effort at production control. But it seems to me entirely insuffi-

cient to do away with this *second* question mark of stabilization.

The price level depends not only upon the quantity of money and credit, but upon itself. That sounds paradoxical, I admit, but it is really extremely simple. A great majority of business transactions involve a certain amount of conscious speculation in the form of forward buying and selling. And the prices set for future deliveries are undoubtedly influenced by present price levels and anticipated price trends. Thus, especially prior to reaching the optimum level, we have a *third* question mark of stabilization as important as either of the others.

These question marks involve something more than economic theory. For this quantity theory has a disturbing habit of not working in practice. In fact, it has two ways of not working in practice. As a sample of one way, look at the United States. Since 1929 we have added some seven hundred fifty million dollars to our gold supply—the greatest increase in any country's gold supply over a similar period. During the same period the reserves of the Federal Reserve Banks alone increased by four hundred million dollars, and about eight billions of R.F.C. credit was added to credit supplies. And prices dropped from one hundred seven to sixty-three last March. Another sample—Great Britain. Great Britain went off gold in September, 1931, with the avowed intention of raising prices. And since March, 1932, according to President Harold G. Moulton of the Brookings Institute, not only have British prices fallen, but they have fallen just as rapidly as

have our own. And on the other hand, consider the case of Germany. In Germany, despite stringent credit contraction which sent interest rates to five per cent a week on short-term loans in 1923, the price level increased twelve and one-half times as rapidly as did the currency supply. So I have shown you the two ways the quantity theory has of not working. And I challenge my opponents to show you a case where it has worked.

Now the Negative is going to make one last grand gesture. Suppose that the quantity theory does work for once. Does that make stabilization practical? Emphatically no. The gentlemen talk about control of currency and credit. Control of currency and credit. Five words; what do they mean?

Let's take credit first. From seventy-five to ninety per cent of American business is done on credit. According to estimates of Dr. Carl Snyder, American business and consumption credit totals from one hundred twenty-five to one hundred thirty billion dollars annually. But only twenty-five to thirty billions, only twenty to twenty-five per cent of the total, are supplied by banks. Insurance companies, commercial credit companies, finance companies, direct sale of securities, pawnshops, loan sharks, commercial concerns and private individuals supply the rest. Thus banking control, however autocratic, touches only a fourth of the entire credit problem. And it does not control even that. It controls only the supply side. It cannot force a firm or individual to borrow; it has no influence upon demand. The government then can contract credit freely

by banking control. (Or rather, it can contract one-fourth of the nation's credit freely by that method.) But when it comes to expansion of that one-fourth, or any great degree of influence over the remaining three-fourths, the government's power ceases. And they call that credit control.

The picture goes into reverse when we talk about currency control. Here the government can expand without limit, if gold is reserved for foreign exchange as it is under the Affirmative's plan. But what about contraction? The government can't simply retire any great amount of its receipts, at least, not any greater amount than can the present Federal Reserve Banks. It needs the money too badly, especially right now, with that ten billion dollar deficit. So its only method of contraction involves recall and re-issue of the entire currency supply. Gentlemen, I consider that proposal, especially if repeated every week or so, somewhat impractical!

You may ask, might not the two devices be used simultaneously, or rather alternately? Might not we trust to currency control to procure expansion, to credit control to procure contraction? The answer is no, for two reasons—*first*, because the ratio of credit dollars to currency dollars is constantly fluctuating, and *second*, because of the incompleteness of credit control even under the most rigid of stabilization plans.

I'm sorry I had to wade so far into economic theory, and hope that a little summary can pull us out. The Negative case this afternoon has emphasized two major points. First, there is nothing sacrosanct about

the stable price level the Affirmative wishes to impose upon us. Second, a serious series of difficulties would prevent us from ever achieving it in practice even were its desirability conceded. The difficulties involve the setting of the proper level, the statistical mechanics back of maintaining the level, the selection of the proper personnel for the human side of stabilization, the maintenance of foreign trade, the prevention of speculation, and finally, the two fundamental points of the underlying theory and the possibility of control even under the mythical conditions premised by that theory.

**First Negative Rebuttal, Bertram Tremayne  
Washington University**

LADIES AND GENTLEMEN: I am certain that you have been affected in some way by the oratory of the gentlemen from Marquette. The affect upon me has been to produce in me a psychical power, an ability to see into the future. As I speak I see a newsboy on the corner. He is shouting "Extra! Extra! Read all about the perfect plan for Stabilization of the dollar. Plan conceived by two Marquette University students. Extra!" A curious crowd is overwhelming the lad. One thousand, one hundred and ninety-nine economists fall into a faint, economists who have been attempting for years to find the perfect plan for stabilization. They are revived only by the news that the plan proposed by the gentlemen is only a mongrel, a mythical mongrel of something or other, and that the plan has

no particular relation to monetary stabilization, which incidentally is the subject for debate this afternoon.

They have accused us of setting up a straw man and then knocking it down. Our straw man was directed against monetary stabilization, not only against the Warren plan, but against any other means of monetary stabilization, and it has not been denied by the Affirmative. But they have chosen to propose some sort of a thing, and although we feel that it is irrelevant in a discussion of monetary stabilization, it is only fair to you, Ladies and Gentlemen, that we point out even more obvious fallacies in the harebrained plan of the gentlemen. Their mongrel, as you can readily see is a super-planned state. If attempted, it would carry this thing of economic planning to a point far in advance of the dictatorial governments of Germany and Italy. Its only chance for success would exist in a government strongly centralized under a dictator. They have not mentioned that to you, Ladies and Gentlemen, knowing full well that the American people are not desirous of a dictator. In the first place, then, their entire scheme would fall through unless the American government were greatly altered. Under our present system it is impossible that it should work. But perhaps they are willing to sacrifice the basic democracy of this country. Would it work even then? In particular, there is one reason why it would not. Their plan is basically dependent upon price-fixing and price-fixing is basically fallacious. As my colleague has mentioned, history, in respect to price fixing, points to a long list of failures. Even this country has tried it on a very few

commodities and the result to all concerned was tragic, and yet the gentlemen say, "For example, the price of a bushel of wheat could be stabilized at one dollar per bushel. Prices of all other articles could be fixed accordingly." How all this is to be done is more or less vague. They would arbitrarily set the prices they say. I suppose they would be arbitrarily changed when increased technological improvements made decreases in prices possible. I suppose they would be arbitrarily changed when the tastes of the people move on to other articles. Do they propose to have a gigantic super-brain to gather correctly the statistics necessary for a system of price fixing? Do they propose to have a super-diplomat to adjust controversies over the fixing of the prices? Do they think to employ a spiritual police force to prevent price cutting and underselling? And, finally, do they propose to have a lily white angel void of all corruption and graft, to fairly and honestly determine where the various prices are to be fixed? All of these are necessary when man takes over the price determining agency which, by nature, belongs to deeper economic forces. All of these are necessary, I said, but unfortunately, none of these are available, and without them even one price could not be fixed, not to speak of the thousand and one prices that the opposition proposes to adjust. Even Paul Douglas, who wants economic planning, steers clear of price fixing, for he knows of its impracticability.

Before closing I should like to point out to you a striking coincidence. It is so striking that I doubt if it is a coincidence. There have been three price peaks

in the level of prices in this country since 1810, each followed by an abrupt decline. The first high peak came directly after the War of 1812, the second followed the Civil War, and the third the World War. Before the beginning of any of these wars the price level was fairly normal and was showing no particular tendency to rise. The moment war was declared the price level began its ascent and continued until it reached its peak shortly after the war, after which it began a steady decline—an obvious correlation between wars and fluctuations of the price level. Furthermore, there is no doubt that this has not been a mere correlation in time, but that wars have been one of the most important factors in the fluctuations either in this country or in any other. With the exception of these war and post-war periods, the price level has been fairly steady. The fact that it is impossible to control prices during a period of war and since wars are basic in our society the whole thing takes on a more or less hopeless appearance. We would not agree entirely with this conclusion, but in view of the evidence we must admit that monetary stabilization is hopeless and that it is far more hopeless to attempt the cure by thrusting on the American people the unsound nonsensical plan of the gentlemen of the Affirmative.

**First Affirmative Rebuttal, John Faller**  
**Marquette University**

**LADIES AND GENTLEMEN:** The speeches of the gentlemen of the opposition were burdened with facts and



figures meant to create an imposing array of authorities for the purpose of defeating a commodity dollar of the Warren variety, and after listening to them and after examining this fine audience, more and more do I appreciate the dictum of the speaker who remarked that if you can, get an intelligent audience, but, if you can't get an intelligent audience, get a good looking one. But here this afternoon we have the unusual pleasure of appearing before both an intelligent and a good looking audience. I want to congratulate you Ladies and Gentlemen who have given of your time so generously as to sit through this discussion of the Negative.

But let us probe into the speeches of the gentlemen who have just left the floor. In the first place, as I mentioned they have presented a great many defects of the Roosevelt system; they have found fault with almost every phase of the present monetary policies of the administration. They have cited a lot of superficial difficulties and then proceeded to show how bad they are.

However, where, during our speeches, have you heard either my colleague or myself advocate the Warren commodity dollar? Where, and in what way have you heard us advocate a dollar based on a metal?

The gentlemen from St. Louis have made an error in that they have spent all their speeches so far in refuting a currency system based on metallic values, while we have not advocated such a system. We of the Affirmative have recognized a fact ignored by the opposition and that fact is that it is the inherent wealth and con-

fidence in the country, the value of the buildings, the homes, the machinery, and not just the value of the gold that lies in the coffers of the rich, that should govern the value of money in circulation. We have recognized that credit dollars are important in this debate, and shall be increasingly important in considering the type of stabilization we have suggested.

The entire case of the opposition reminds me of an incident narrated by one of their co-debaters, with whom I talked before coming here this afternoon. It seemed that Mr. Tremayne and a certain lady were out one evening. On their way home they decided to stop in at one of the better places in St. Louis for a bite to eat. His lady friend ordered a chicken sandwich and a cup of coffee. When the sandwich came Mr. Tremayne picked it up and plastered it in her face. Not only that, but he seized the plate on which the sandwich came, and hit her over the head with such force that it was smashed to bits. But you ask what about this incident, where is the point? Ladies and Gentlemen, there is no point to that story. It is like the speeches of the Negative, made in contemplation of a currency based on gold.

All those beautiful examples of experiments that they gave you are based on the same error. When they speak of some countries and how they tried the plan of government operation and purchasing, they forget that when we tried it, we tried it on only one commodity, with no possibility of enforcing the regulations. When these other nations tried it they were operating on one commodity only, and they did not have the type

of currency in use based on national credit and confidence as we have advocated. The gentlemen from Washington are hampered in their observations this afternoon in that they can conceive of no monetary system in operation without a gold or silver base, they think only of the gold in "them there bank vaults." I almost think they would take the American coin and change the motto engraved thereon from "In God we Trust" to "In Gold we Trust."

The Negative has expressed some fear over the ruin of foreign trade. They take no cognizance of the exportable surplus angle of the Affirmative plan as explained by my colleague, but cite one Mr. Benjamin M. Anderson, Economist of the Chase National Bank of the City of New York on it. It would be interesting to know how many of the statements of this famous man, according to the opposition, are prompted by his position as the economic mouthpiece of the biggest bank in America, and the bank with the largest amount of foreign loans. No wonder they are interested in protecting our foreign trade. It is not for the welfare of the American people that he writes but for the good of the stockholders of that bank.

And now fellow students, I note that my time is drawing to a close, but I want to point out to you a few salient defects in the Negative case. The Negative came before you this afternoon, and admitted that price fluctuations were here. Then, please mark this well, they offered nothing to remedy the situation but merely said fluctuations were a good thing. They gave as their reasons such instances as the lessening of cost due to

perfection in manufacture. Do you remember that in my constructive speech, defining stabilization, I mentioned that this slight variation in price was not to be included in our consideration of a stabilized currency?

This debate leaves the Negative citing the defects of the Warren plan, and leaves our plan so far untouched by them. So, we of the Affirmative, say that the dollar should be stabilized because constant fluctuation is an evil to the best interests of the farmer, the laborer, and the manufacturer. This fact we have plainly shown. The gentlemen of the Negative have not denied it, but still they seem content to condemn you and all future generations of Americans, to the evil of a constantly fluctuating dollar.

**Second Negative Rebuttal, Martin Bronfenbrenner,  
Washington University**

LADIES AND GENTLEMEN: I feel at a terrible disadvantage, following the inspired gentleman who just left the floor. I can't yell as loud as he can. This feeble voice of mine won't let me. And I can't gesture the way he can. I just play the fiddle, and judging by those lefts and rights of his, Mr. Faller is a star performer on the big bass drum.

First let me correct one impression Mr. Faller may have given you. He accused Mr. Tremayne and me of being tied to gold, of valuing gold more than God, of basing all our arguments on gold, of sitting idly by while "wimmen and children and orphans" and Mr. Faller were starving with cold and shivering with

hunger or something. Now that isn't so. I'm no cold-blooded murderer. The only cold-blooded murderer in this debate is that timekeeper down there. I do not regard gold as particularly sacred, and the objections my colleague and I made apply to money; they apply to credit. Whether the money is gold, silver, tin, tobacco, or these gilt-edged, wildcat certificates my opponents want to palm off on you doesn't matter. And my objections to price fixing also apply, whatever the monetary standard may be. What does the fact that we were on the gold standard in 1929 have to do with the Farm Board's failure to hold up the price of wheat?

Then I repeat my objections to this Eisenberg plan. It is based on price-fixing, and price-fixing won't work. Brazil, the Straits Settlements, our own United States show that. It guarantees a fixed return to invested capital—six per cent, I think Mr. Eisenberg said—without any kind of limitation on production. (For, with no basic industry producing to capacity at any time anyway, his limitation on new firms, besides being unfair, is useless.) It proposes a central bank, nationally owned. I have cited the example of Australia to show that that little scheme is no panacea.

As a matter of debate policy, I should advise my opponents to read the question for debate this afternoon. It is, *Resolved: That the United States should stabilize the value of the dollar*. Two years ago I debated the question, *Resolved: That the United States should adopt a policy of national planning*. It seems to me that the two questions have different meanings, and that the Affirmative is under an obligation in view of

that fact to stick to monetary and credit methods of stabilization, to debate stabilization of the dollar and not of industry. So, in addition to all its other defects, their plan is wholly irrelevant to the question at issue.

Therefore I will return to the purely monetary side of the question, and repeat the Negative's series of specific questions regarding specific monetary aspects of the Affirmative plan:

1. How will you determine the level at which to stabilize, and what will you do about existing debtor-creditor relationships?

2. How will you select the commodities and prices to be used as bases for your index number?

3. How will you weight your index number? The Bureau of Labor Statistics index you have cited does not allow for changes in weights.

4. How will you keep your magic index number up to date? What about the lag caused by the time it takes to gather data?

5. What about foreign trade and speculation? You have not yet answered my question about the ratio between your domestic and foreign exchange dollar.

6. What about the quantity theory of money? How are you going to control velocity? And I have pointed out that your control of quantity of goods produced is inadequate.

7. Specifically, how are you going to control the credit and currency supplies?

I am sorry I had to rattle these questions off too fast for Mr. Eisenberg to take them down, but I observe that the timekeeper is getting the zero card ready for

my neck. So I shall close by giving you the example of one country which did stabilize its currency unit, or rather tried to. Let me tell you about Sweden. I quote: "The official price index of Sweden has, it is true, been exceptionally steady over recent months . . . but it conceals two widely divergent tendencies. The prices of Sweden's imports have risen thirteen per cent since . . . September, 1931, but in the same period domestically produced goods have fallen in price by nine per cent. In other words, Sweden's so-called 'stability of prices' merely means that the country has had to pay thirteen per cent more for what it buys and to take nine per cent less for what it sells." And again, "There is strong reason to believe that Sweden is one of the three or four countries that have suffered most acutely in the past eighteen months." Unemployment and bankruptcies have each increased to a greater extent than they have in the United States. I haven't time to cite the statistics, but so much for the monetary aspects of the Affirmative plan. As for the rest of the thing, it is irrelevant, and I have refuted as much of it as I could understand. Beyond that, you'll have to call it over my head and let it go at that.

**Second Affirmative Rebuttal, Ernest Eisenberg  
Marquette University**

LADIES AND GENTLEMEN: Throughout this debate this afternoon the gentlemen of the opposition have repeatedly claimed that we were up in the air all the time. Well, it is my observation, that when one person

claims that a second person is up in the air, the second person is usually above the head of the first person.

They have charged us with being unorthodox in our economics; they have brought one "big name" after another to refute our plans. They have quoted bankers and quasi-economists without end. My friends, we who have listened to these same bankers for the past ten years, who have heard their rosy predictions of a new era, who have purchased the stocks and the bonds they claimed were as good as gold, are somewhat skeptical of their value as authorities today. We are inclined to agree with Lionel D. Edie, when he says:

"Any one who reads the history of money standards is likely to be impressed by the lack of understanding of great changes in the standard until they are viewed in retrospect. Fundamental developments often proceed for one or two decades before even bankers and economists sense what is taking place. . . . It is my impression that a new major development has been taking place in the gold standard over the past two decades, particularly in the United States and this development is not yet recognized by the closest students of the Federal Reserve."

Consequently, we approach this subject without any bias or prejudice, without any old-fashioned misinformations, but rather with a scientific attitude to ascertain how money can be definitely stabilized. We refuse to be impressed by mere names. We shall yield only to sound argument based upon sound reasoning.

In reviewing this debate, we find that the gentlemen of the opposition have raised two issues: *first*, that under certain circumstances a rise in prices or a fall in



prices is more desirable than stability. They claim that such a change in price level tends to encourage production—yes, it encourages production by causing our annual income to fall from eighty billion dollars in 1929 to about forty billion dollars in 1933; it encourages prosperity by wiping out our business men, crushing our farmers, smashing our laboring classes. In the face of the worst financial upheaval in history, they have the brazen effrontery to come before you and claim that such fluctuations may be desirable.

Their *second issue*, however, possesses more merit. They claim that it is impossible to stabilize the dollar, and further argue that even were it possible to stabilize the dollar, certain inherent difficulties would make such stabilization but temporary. But in the light of searching truth, we find that these arguments are based upon fallacious reasoning and upon false premises.

*First*, they argue that there are practical objections to stabilization plans. They want to know what a just price level is, what the proper index numbers shall be, who shall calculate these index numbers, and how the entire system shall be managed. In reply, may I answer that it really does not matter where the price level is established, as long as that price level is adhered to. It matters little whether wheat sells for one dollar a bushel for the next ten or fifty years, or whether it sells for one dollar and fifty cents a bushel, provided that the prices of other commodities shift accordingly. But it does matter very much whether wheat sells for one dollar a bushel today, and for sixty-five cents a bushel tomorrow. An automobile can

travel at high speed along any road which is smooth or level, and it makes little difference whether that road be ten feet above sea level or ten hundred feet; but no automobile can travel along a road which in the space of a mile changes its sea level one hundred times. All that we propose is that one level be adopted. Under our plan there is no difficulty in establishing index numbers, there is no difficulty in calculating the ratios, and as far as the actual management of the plan is concerned, any first-class accountant or business-man could successfully direct it.

*Second*, they argue that there will be difficulties with foreign trade, with tariffs, with trade wars. In reply, I should like to explain to the Negative, that under our plan with a water-tight domestic market, with a separate domestic dollar, we can produce to the limit without worrying about foreign trade at all. We can develop our natural resources to the fullest extent without worrying about the production of wheat in the Argentine, cotton in Egypt, or automobiles in Germany. With a separate foreign-trade dollar based upon a gold-silver standard, we shall completely eliminate speculation as an influence upon our local dollar, and shall possess the means wherewith to exchange our surplus cotton and wheat for those foreign products we need. And in case we cannot market our surplus abroad, we can supply our people with additional domestic dollars, so as to enable them to buy our surplus at home. We all can wear additional cotton clothing; I do not believe that every man possesses all the shirts he would like to own; I do not believe that every man consumes all the

tobacco he would like to consume; and I sincerely do believe that the welfare of our nation would be materially benefited by storing our petroleum for future consumption, rather than by shipping it all over the world.

*Third*, they argue that any government plans to expand currency would cause a speculation in gold. Obviously, my friends, this is an attack against the Warren Commodity Dollar, and not against the stabilized dollar we have proposed. The gentlemen of the opposition were so confident that we were going to base our case upon the Warren or the Fisher Commodity Dollar, that they have taken their arguments from the debater's handbook on this subject. The Negative has so misconstrued our case as to charge us with advocating a plan we never proposed and actually refuted. We find that we actually agree with the Negative when they say that the quantity theory of the dollar does not operate efficiently; but we do not agree with them when they say that we have advocated such a quantity theory. Realizing the inherent difficulties in the quantity theory, we have presented to you a plan which is entirely different, in operation, in theory, and in scope.

*Fourth*, they argue that our plan is inherently weak because price-fixing cannot work, as shown by the case of Brazil, the Straits-Settlement, the Farm-Purchase-Plan, and others. The fallacy in their reasoning lies in the fact that all these price-fixing schemes were dependent upon international trade and markets. But under our plan, our domestic economic structure would be completely isolated from international trade. Con-

sequently, since the Central Bank would be in complete charge of imports and exports, foreign producers could not dump their supplies into our markets.

*Fifth*, they claim that Central Banks are weak, and are liable to fail as in the case of Australia. But mark you, all Central Banks in the past were based upon a gold monetary standard; the Bank we propose shall be based upon a production monetary standard. Therefore, as long as we produce goods, our Bank can never fail.

And *finally*, they argue that we have strayed from the debate case, and are now discussing national planning rather than the stabilization of the dollar. However, the first speaker of the Negative, himself, admitted that stabilization of the dollar is impossible without national planning. The two are interlocked so that we cannot have one without the other. Under a proper system of national planning, we can afford to guarantee to business men a six per cent return on their investments, we can afford to produce as much as possible, since our wealth will properly be distributed under our new domestic dollar.

And thus, we close our case, once more thanking you for your most serious attention, once more thanking our opponents for their most intelligent argumentation.

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NATIONAL GUARANTEE OF BANK  
DEPOSITS

*An Inter-League Radio Debate*



# NATIONAL GUARANTEE OF BANK DEPOSITS

## UNIVERSITY OF IOWA AFFIRMATIVE VS. BATES COLLEGE NEGATIVE

On October 28, 1933, over the WJZ network the champion of the Eastern Debate League met the acknowledged leader of the Mid-Western or Big Ten League in a debate on the provisions of the Glass-Steagall Banking Act establishing a national guarantee of bank deposits. The question was phrased, *Resolved: That the American people should endorse the principles of the guaranty of bank deposits as embodied in the National Banking Act of Nineteen Thirty-three.*

The speeches were contributed by Professor Brooks Quimby, Director of Debate at Bates College, and by Professor A. Craig Baird, Director of Debate at the University of Iowa.

### First Affirmative, Vergil Tacy University of Iowa

LADIES AND GENTLEMEN: On behalf of the State University of Iowa, we extend our appreciation for this opportunity to discuss with the gentlemen from Bates College a subject that is of timely importance to us all—the banking system of the United States.

When the President took the oath of office last March, business and finance were at a complete standstill. One by one the governors of the states had been forced to declare state banking holidays because you and I, the American people, had lost faith in our bank-

ing system. The declaration of the President on the day following his inauguration, instituting a national holiday, was the final step in the wreckage of the system which had lost the confidence of the American people.

The new administration, confronted with the necessity of providing a new banking system, immediately set out to rehabilitate the banking structure of the country. Out of this effort came the Glass-Steagall bill, which will become operative on January 1, 1934.

Its provisions are simple, yet it strikes at our banking difficulties from three different angles. *First*, it proposes to strengthen the Federal Reserve System by curbing stock market speculation and separating commercial banking from investment affiliates. *Second*, it offers a means of centralization by encouraging branch banking. *Third*, and most important to you, the American depositor, it guarantees bank deposits under a deposit insurance corporation. It is this feature, the most vital part of this measure to restore confidence in our banking system, that we are considering this evening.

The Glass-Steagall act is based upon the same philosophy which has characterized all the legislation of the new administration—that it is the little fellow who counts. It goes to the aid of the small depositor because he has not the means or the ability to judge the soundness of his bank. Further, it maintains that it is the duty of the government to see to it that the savings of the individual citizen are not destroyed. Its primary objective is to destroy the fear which lurks in the

heart of every American citizen today. It is a masterful stroke to restore the confidence of the American people in their banking system.

Now, of course, you are asking, how can this be done? Where is the money coming from? Under the provisions of the bill the plan is to be put upon a sound actuarial basis and sufficient funds provided to finance the plan. There will be immediately available about four hundred million dollars—one hundred fifty million to come from the Federal Government—one hundred fifty million from the Federal Reserve System, and approximately two hundred million from member banks with an assessment of one-half of one per cent of total net profits. Thus deposits up to two thousand five hundred dollars will be guaranteed in full from this fund after January 1, 1934 and beginning July 1, deposits will be insured one hundred per cent to ten thousand dollars. That is the simple, concise plan which will lead to a banking system that will be as strong as the American government itself. Now what will this plan do to bring about this result? First, it must be admitted that the initial step in rebuilding our banking system is the restoration of public confidence. Without faith in the banks the entire credit system is hampered. Of course, there are other factors that must be corrected—the uncertainty of our banking policy—the liquid condition of sound banks—all these play a part. But before these evils are remedied, we must have the confidence of the people. The economic health of the nation, therefore, depends upon the willingness of people to re-invest in the banks of the

United States, and the willingness of the bankers to extend credit. Unless you are fortunate, you have lost a sizeable share of your life's savings. The government has no right to expect you to replace your money in the banks until you have absolute assurance that it is safe. That the American people do not today have that confidence is evident. According to Representative Bacon of New York, there was in January of this year over one and one-half billion dollars stuffed away in mattresses, buried, or kept in private vaults. Very little of this money has since come out of its hoarded place. Recent statements show that over seven hundred million dollars has been placed in the postal savings system. All of this means that the American people have been deprived of at least twenty billion dollars in credit.

On January 1, that money will flow back into the American banks and become the base of increased credit. For when you, as an individual depositor, know that your money is guaranteed one hundred per cent, there will be no doubt in your mind as to the wisdom of placing your money there. The banker will be rid of the fear of runs on his bank. In times of crisis, when every available cent is needed in the credit structure, your money will be going out over the counter into the banks at the normal rate and not out at such a rate that the bank cannot withstand the shock. When you, the American people, know that your money is safe, then and only then will it be possible to build a sound banking structure. And how else, we ask, can that

assurance be given than through the guarantee of deposits.

Deposit insurance, in addition to establishing the necessary confidence, is an important part of the program to build a unified banking system that can justify this confidence. State and local banks will become a part of the strong national system, for the bill provides that after July 1, 1936, only those banks that are members of the Federal Reserve System, or about to be admitted to such membership, may participate in the insurance corporation. Public demand will make it imperative that all banks provide this insurance.

Place every bank in the Federal Reserve System and this country will be infinitely bettered. No longer will we need to worry about the difficulties that arose under our multiple banking system. There will no longer be undercapitalization of banks, for there is a minimum requirement of fifty thousand dollars. Bankers will be responsible for their banks now as they have never been in the past for the bill expressly provides for further fixing responsibility upon them. Rigid federal inspection will be a part of this system. With this unified banking system and with the deposits of ninety-nine per cent of the people guaranteed, there is no way of stopping the return of public confidence.

I need not remind you who are listening that the restoration of confidence will be no easy task. You know how your own belief has been shaken. But I should like to remind the gentlemen of the opposition of this fact. I should like to invite them to explain any other method by which confidence can be restored.

We must prevent the occurrence of another debacle such as that through which we have just passed. Guarantee of deposits offers the only practical solution. Professor Carver of Harvard has said, "Credit will not expand again until confidence is restored. Confidence will not be restored until the people believe that their money is safe." They will not have confidence in banks until the government guarantees bank deposits.

We of the Affirmative now pause to permit the first representative for the Negative to speak, Mr. Theodore I. Seamon, of Bates College, who will be heard from Boston.

**First Negative, Theodore I. Seamon  
Bates College**

LADIES AND GENTLEMEN: It is interesting to note that while we, intercollegiate representatives of the East and the West are disagreeing this evening on this question of deposit insurance, the banking representatives of these sections of the country are unanimous in agreeing in what our friends fail to see: that the principles of this proposition are *unworthy, dangerous, and untenable*.

You have been called upon to endorse the principles of bank deposit insurance. I want to point out to you that your endorsement of this proposition means that it would be continued, not as a temporary expedient, as Mr. Tacy implied, but as an essential feature of our banking structure and credit system.

As Mr. Tacy has already made clear, the principles



embodied in the 1933 National Banking Act call for a three-fold fund: a percentage of the deposits of the member banks, a percentage of the Federal Reserve surplus—and a donation from the government. In the event of a member bank's failure, the depositors up to a certain amount, theoretically, are to be paid in full. Member banks must meet certain requirements, it is true, but, in general, no bank is to be refused participation because of lack of adequate capital.

It is this proposal, then, which our friends have called upon you to endorse. But it is not and it cannot be a successful insurance scheme.

When, in your home or business, you take out insurance, you all know that the insurance company must operate on an actuarial basis. But as the National Chamber of Commerce has pointed out, the risk of bank failure cannot be computed. There is no actuarial basis possible in this proposal under the misnomer of an insurance scheme, despite the protestations of Mr. Tacy.

Thus far, all claims, such as restoration of confidence, which Mr. Tacy has made for this proposition depend on the assumption that the fund will be adequate. In answer to the direct challenge of the Affirmative, may I say that confidence can be brought about only through sound banking, and soundly regulated banking, much on the principles advocated by Mr. Tacy.

Now, did Mr. Tacy justify the assumption of adequacy? Has there been any evidence introduced to

show that this fund will act as a sound insurance scheme; that it will protect the depositor?

Those of you who are bank depositors would like to believe the naive assumption of the Affirmative that the guaranty of bank deposits will cause us to have less bank failures. We all wish that were true. But we can't accept that premise when we read the statements of such prominent authorities as Bradford of Lehigh, Ebersole of Harvard, and Berle of Columbia; our National Chamber of Commerce, and the American Bankers Association. We find, according to these authorities, that the results, far from decreasing bank failures, can only increase the rate of failure through the forced stimulation of unsound banking.

Mr. Tacy reminded you that a stimulation of bank credit will be brought about through this plan of guaranty of bank deposits. In other words, with the banks of the nation taking all the risks they believe safe, you are asked to endorse a plan which increases banking risk and ties up capital in more unsound enterprises.

Under the terms of this proposition, all bank deposits are supposedly to be insured. Now, you know that under such a situation, the only factor that can draw you to a bank is the rate of interest—the one factor of competition of banks under this proposal. Higher interest rates can be obtained only through higher returns, involving, of course, greater risk. So that the banks of the future under these principles are to be competing in more speculative investments for higher returns. This necessarily involves higher risk, an in-

crease in unsound banking, and an increase in bank failures, with even less assurance that the fund will be adequate to cover the losses.

“But,” you say, “it sounds so attractive.” You want to believe in the protection of such an insurance scheme as this, involved in the predictions of our friends from Iowa.

But instead of their theories as to what may happen, or what they feel should happen, let me tell you what *has* happened wherever the theories of deposit insurance have been tested by the realities of practical experience.

And it has been tested before. We don't have to go into this proposition blindfolded. What happened in the eight different states which attempted bank deposit guaranty as an insurance scheme? I don't have to tell you people who are listening-in from those states. You know what happened. You still have your worthless deposit certificates in guaranty funds long since abandoned. What happened in Kansas? The chorus of depositors, bankers, and economists answers failure—inadequacy—bankruptcy—and a deficit of five million dollars. What happened in Texas? Unsound banking—increase in failures—and a deficit of fifteen millions of dollars. And so on through the states of Oklahoma, Nebraska, Mississippi, South Dakota, and North Dakota.

Perhaps that is why the President of the Bankers Association in the state of our friends from Iowa denounced the principles of this proposition.

The preceding speaker has made several optimistic

predictions concerning the results of deposit insurance. Will the second speaker from Iowa kindly tell us in which of these states these hopes were fulfilled? Did the plan of deposit guaranty decrease bank failures, stimulate sound banking, inspire a safe credit system—or protect the depositor?

My friends, in no case were any of these promises fulfilled. In every case the funds were inadequate, and in no instance was sufficient protection given. It was put into effect as a pure insurance scheme. The states did not contribute and without exception bankruptcy of the funds resulted.

The experiences of the past and the forebodings of those who are acquainted with the results of these principles are warning you now that the American people must stand with the American banker in denouncing a plan so obviously invalidated by these experiments.

But our friends may tell you that this particular plan of National Guaranty is different. Apparently they feel that this proposition will protect the depositor, that the plan can operate as a sound insurance scheme.

Well, let's see just what we may expect. Professor Bradford of Lehigh University tells us what to expect from this fund. He has estimated the results of such a fund for the whole nation, based on the years between 1921 and 1929, before the heavy failures of the next three years, you will notice. He finds that the fund would have been exhausted before 1922 and by 1929 would have incurred a deficit of more than two billion dollars.

So we see that the fund wouldn't even have met the

strain of the prosperous years. Would you consider a fund adequate for your protection which couldn't withstand a depression as well? And yet Professor Paul Bartlett of Bates College, taking the exact provisions of this act if put into effect in a depression year such as 1931, and this with a government contribution of one hundred fifty million dollars, mind you, finds that there would have been a deficit of over one billion dollars.

What do you gather from that, Mr. Depositor?

The only alternative to failure is a subsidy by the government. Are you, Mr. Depositor, ready to endorse this; to subsidize, to set a premium upon weak, dishonest, unsound banking at the expense of the government and the more soundly managed institutions of the nation?

There is no insurance; there is no guaranty; there is only bankruptcy, failure, and a general weakening of our monetary structure in this proposal.

We want the next speaker from Iowa to justify such a fund in view of the many disastrous experiences of the past. It is the contention of the Negative that far from insuring deposits, this proposal can only succeed in insuring insecurity.

Now the Negative will stand aside for the second speaker of the Affirmative, Mr. John Harrison of Iowa, who will speak from Chicago.

**Second Affirmative, John Harrison  
University of Iowa**

LADIES AND GENTLEMEN: America today faces a crisis. The nation's financial structure has been weakened to the point of collapse. Fortunately, however, our leaders have not lacked initiative. They have proceeded to work out a plan for the restoration of the confidence of the American people in a new and improved banking structure. One of the essential features of this program is a measure providing for guaranty of bank deposits. The workings of this plan and its obvious advantages are already clearly before you. Both friend and foe of the principle of deposit guaranty are willing to admit that the advantages to be gained from it are many, if it will work. Will it work?

Now obviously as the gentleman of the Negative pointed out the first concern is as to the insurability of the risk. Can we afford to insure deposits? If we accept the fundamental principle of all insurance—the spreading of the cost—of course we can afford to insure deposits. The loss must be paid by somebody. Deposits insurance is simply a means of spreading the cost, so that one community will not be ruined by the failure of a bank. Does not the same principle apply here as applies in the case of fire, death, or any other insurable risk?

But, you say, and the gentleman has insisted that to be successful it must be possible to build up a fund sufficient to meet the exigencies of the future. This can best be ascertained by a study of the past. Let us

observe a critical analysis made by Congressman Steagall of just what it would have cost us during the last eighteen years, since the establishment of the Federal Reserve in 1915, to insure all deposits one hundred per cent. In analyzing this period we are observing one of the most trying times in American history—a severe test of any plan for deposit insurance.

Since the passing of the Federal Reserve Act there has been in operation each year an average of eight thousand national banks, and their deposits have averaged twelve billion dollars annually, or one million four hundred thousand dollars for each member bank. During these eighteen years, sixteen hundred national banks have suspended business, or an average of ninety banks a year, and the deposits of these closed banks have averaged sixty-six million dollars a year. The records show that more than sixty-seven per cent of the deposits in closed banks for the last eighteen years have been converted into cash, and, after paying all expenses of liquidation, have been distributed in dividends to depositors, so that the amount that would have been required to make good all losses to depositors would have been less than thirty-three per cent of the total deposits in closed banks.

Figuring the cost at thirty-five per cent, it would have required four hundred sixteen million dollars altogether to have made good all the losses of all depositors in every national bank that has closed its doors since the passage of the Federal Reserve Act, or an average of twenty-three million dollars for the eighteen-year period. Thus, the cost of insuring the deposits in all

national banks during the past eighteen years would have amounted to nineteen one-hundredths of one per cent of the average annual deposits of these banks.

In the figures just presented it is assumed that the number of closed banks would be just as large and the amount of deposits and losses to depositors just as great under a system of bank deposit insurance as they have been without deposit insurance. It is undeniable that had deposits been protected by insurance the number of failures and the amount of losses would have been enormously diminished.

Upon the basis of past experience, then, the assessment originally made would be more than enough to cover all the expense that we need have any fear of incurring. The surplus which would rapidly accumulate would more than tide the fund over any sort of banking difficulty, short of complete disintegration. Why, therefore, can it not be permanent?

But we are willing to go a step further. If the fund thus provided should prove inadequate, we maintain that it would be infinitely better to subsidize the fund with the amount needed from the Federal Treasury. Yes, to dig down into the pockets of the American people in order that we might maintain the semblance of a financial and credit structure. Certainly it could be no worse than the debacle through which we have just passed. There could be no greater cost to the American people than the two billion five hundred million dollars lost to them now. There could be no more suffering and misery than there has been through the freezing of credit and the loss of the life savings of



thousands. Certainly we would be a spineless people if we refused to take this step because of cost.

A second objection to deposit guaranty mentioned by Mr. Seamon is that there is no precedent—previous plans tried in various states having failed. It is true that Nebraska, Oklahoma, Texas, Wisconsin and others have tried a guaranty of deposits. It is also true that in most of these cases the plan has failed. There is, however, no similarity between these state plans and that proposed on a national scale.

In the first place, the states' attempts were made in the face of the deplorable conditions which we now seek to remedy through the National Banking Act of 1933. Banks were insufficiently capitalized, wretchedly managed, inadequately supervised—lacking every requirement of sound financial institutions. These systems attempted to guarantee the deposits of the type of bank which went first in the recent collapse. Naturally, most of them were not successful. The national guaranty, on the other hand, would insure only the deposits of those banks which could meet the requirements of a sound financial institution. Adequate provision is made for control and supervision. Obviously the two cases are in no way comparable.

Further than this, the national system furnishes a diversification of risk which no state system could furnish. The state systems failed just as any form of local insurance fails, because there was not adequate diversification of risk. The failure of a crop in Nebraska could not materially affect the entire national banking structure. The national plan would serve as a

means of alleviating the distress in the afflicted sector, but would have no more difficulty in meeting the cost than is entailed by a fire insurance company in meeting the cost of a large fire.

It should be observed finally, in this connection, that the United States is the only nation of importance which does not in some manner make good the deposits of the people. In the European nations it is accomplished through the centralized banking system, in which every bank is connected with the large National Bank. In these systems money is poured from the treasury into the central bank and out to those banks which need the money, so that as long as the government stands, no failures are allowed to occur. Certainly the United States owes an equal debt to its people. And, we ask the gentlemen of the Negative, how else can this service be accomplished?

There is, finally, the favorite argument of opponents of deposit guaranty by the gentleman of the Negative, that wildcat banking will follow when the banker needs no longer fear the failure of his bank, and when the people no longer need discriminate between the good and poor banks in selecting a depository.

The folly of this argument is apparent. The banker, it must be remembered is directly checked by the provision of the Glass-Steagall bill, from participating in wildcat activities. Supervision, amounting to a denial of credit facilities to those banks which engage in wildcat activities, is provided. Further, the mutual character of the plan will make it essential for each banker to act as a check upon each other banker. Certainly,

when the individual banker stands to lose through the speculative activities of other bankers, he will see to it that advantage is not taken of him. Thus, as a matter of fact, the deposit guaranty feature simply adds another incentive to better banking.

The retention of double liability of stockholders acts as a final check on wildcating. The wilful destruction of a bank by its owner would be about as logical as the burning of an uninsured warehouse by its owner, simply because the goods of his client were insured.

From the standpoint of the depositor it is futile to argue that any material effect will be made upon his choice of banks. What opportunity has he now of checking on the soundness of the bank in which he places his money? It is, in fact, to protect these average depositors, who have no means of ascertaining the solvency of the banking institutions, that provision is being made for deposit guaranty.

Ladies and Gentlemen, the time has come for a marked change in American banking policy. We have seen the complete failure of our multiple banking system. Our legislators have placed before us a positive, definite program to remedy this situation. To regain the confidence of the people and to secure the cooperation of the banks in a federal system, we must have definite assurance of the safety of deposits. Guaranty of deposits, as provided in the National Banking Act of 1933, gives the people and the banks this assurance. Let us proceed to make our banks safe for all of our people.

Now what does the second speaker for the Negative

say? We step aside for Mr. Frank S. Murray, who speaks from Boston.

Second Negative, Frank S. Murray  
Bates College

LADIES AND GENTLEMEN: What do I say? Why, my friends, I say that you must be nearly lost in the underbrush by now.

The crux of the whole question of the guaranty of bank deposits is this: *Will it protect?* Iowa's theory says yes. Our theory says no. And since experience substantiates our theory we feel that a heavy burden of proof still rests on the gentlemen in Chicago.

But state experience doesn't count, they say, because the state plans were wretchedly managed, and insufficiently capitalized. Our friends are unfamiliar with North Dakota, Texas, and Mississippi, evidently, where excellent supervision and planning prevailed.

Now, don't think for a moment that we frown on regulation of banking. Would that some states had more! But we do say that regulation should not and cannot remove the element of risk from banking. Guaranty of deposits removes all possible risk—or hopes to—from the depositor, giving him that unheard-of thing—a fool-proof investment. Let us keep in mind that a depositor is simply an investor, and like all investors he takes a large or small amount of risk for a large or small amount of profit.

Is it possible to set the depositor, by means of a Con-

gressional edict, in a magic land where investments never fail?

The facts say, No. Texas had her try at it. But Texas was careful. She gave rigid examinations to her banks, set up a model system of supervision, charged each bank a higher rate of its deposits than does the proposed plan, *i.e.*, she employed thorough regulation. Yet in five short years, one hundred fifty Texas banks failed, the guaranty plan capsized, and Texas had lost twenty million dollars.

Mississippi and North Dakota took even greater precautions, but met the same disastrous fate. If the plan had succeeded in just one state we should feel more sanguine, but it has run on the rocks everywhere.

But, Iowa says, state control is poor at best. If all banks were run like the Federal Reserve System the guaranty plan would work. But would it? Professor Bradfords' investigation shows that even in the Federal Reserve the deposit guaranty plan, if started in 1920, would have failed by 1924, and would have piled up a deficit by this time of one billion two hundred million dollars. And that in the best regulated system of banks in the country! What would have happened if all of the nation's banks had been members?

Clearly, this guaranty scheme could not insure deposits. *It could only insure insecurity.*

Now the question is, "If the fund runs low, why not call on the banks for more money?" Yes, but is that fair to the surviving banks?

The whole scheme is unfair from the start. The sound banks suffer for the unsound banks. When a

foolish or dishonest banker fails, his careful, conservative neighbor must pay the bills. All kinds of banks are classed alike. Mutual Savings Banks, with only two failures to their account in New England, New York, and New Jersey for the past ten years, are forced to go security for banks that indulge in the most reckless speculation. California, where laws are strict and failures rare, will be called upon to support the banks of Missouri where failures are chronic. Brotherly love is all fine, but we don't believe that either California or Missouri would enjoy that kind of charity.

Now if to all these unjust burdens we add the last straw and call upon the banks that have weathered the storm for still more help, we are likely to find, as Texas did in 1925, that our entire financial structure will crack under the strain. Even allowing for maximum liquidation of assets, says George Anderson, the Federal Reserve, if this plan had been imposed on it, would have paid out last year, ninety-four per cent of its net earnings to support inefficient banking within itself.

That's too big a price for banks to pay, so Uncle Sam will have to step in, as the Affirmative gleefully remind us. Insurance, so-called, will give way to a subsidy, and what a subsidy! If the proposed plan had included all banks since 1920, the deficit by now would have reached three billion three hundred million dollars—twenty-seven dollars apiece from every man, woman, and child in the country. Have you that much to spare? Many taxpayers have few if any deposits. Must they make good for investors who took a chance and lost?

As I said before, deposits are investments and must be so regarded. For fool-proof insurance we have Postal Savings Accounts or safe deposit vaults. But bank deposits are no more worthy of government subsidy than any other bona fide investments. For instance, you invest your money in several cotton mills. I deposit mine in the bank, and the bank loans to the same cotton mills. The cotton business slumps and you lose all you invested. But even though the bank fails on account of this slump, the government pays me my money by taxing the people. Is that fair? If my form of investment is guaranteed, why not yours? Why not all forms?

Now, how does the Affirmative defend this subsidy of bad banking?

First, Mr. Tacy said we want restored confidence. Yes, but not false confidence. Indiscriminate faith in all banks was what ruined every one of the State guaranty plans. "Sound banking is the only basis for confidence," says the President of the American Bankers Association, "and guaranty of deposits is not sound banking."

Then, Mr. Tacy told us that depositors need protection. Why any more than other investors he didn't say. Nor did he explain to us why taxpayers should foot the bill for this Federal subsidy of business. Talk about protection! The individual who has benefited most from its protection in the past has been the dishonest banker!

Mr. Harrison said that deposit insurance is as necessary as fire insurance for spreading the risk. But

would we insure a powder magazine or a fireworks plant on the same basis as a modern class A office building? No. Yet the savings banks of New York with no failures in over fifty years are placed on the same basis as the commercial banks of Iowa with seven hundred fifty failures in eleven years.

Mr. Harrison maintained that wildcat banks will be excluded by the Banking Act of 1933. Guy Greer, however, in the October *Harper's* says, "The insurance system will remove . . . the strongest deterrent against recklessness—the fear of losing the depositor's money . . . many bankers will conduct their institutions with even less prudence than they have done in the past . . . the soundly managed banks, while unable to discipline the unsoundly managed banks will be forced to stand behind them. . . . Only sound management, in the last resort, can insure sound banking."

Mr. Tacy asked us what constructive recommendation we had to offer that would restore confidence.

We simply say, by way of suggestion, that the first task of the government in reforming the banking structure should be to insure the suitability and soundness of the assets of the banks. If this aim is accomplished, guaranty of bank deposits is uncalled for. If it is not accomplished, a guaranty provision would be unjustifiable, inequitable, and most certainly unworkable.

Mr. Tacy talks of confidence and protection; and Mr. Harrison of spreading the risk, and safety, all on the bland assumption that the scheme will work. It will not work, except as a billion dollar government



subsidy, and that, we believe, the taxpayers will not endure.

So, to you American citizens—taxpayers and depositors—especially to you in Washington, Nebraska, and Mississippi with your worthless deposit certificates—to you thinking men and women throughout the country, I say:

Do we want a scheme that defies all economic laws, that stimulates bad banking instead of preventing it, that instills false confidence in the investor, that calls itself insurance but is in reality a government subsidy of inefficiency? Do we want a deposit guaranty plan that promises something for nothing, but produces billion dollar deficits? Do we want to insure insecurity?

We shall now hear a short rebuttal from the Affirmative side, which will originate in the N.B.C. studios in Chicago.

**Affirmative Rejoinder, Vergil Tacy**  
University of Iowa

LADIES AND GENTLEMEN: During the discussion this evening, certain paramount issues have evolved for our consideration. Let us briefly review these issues. First, is confidence essential to our banking system? This, the gentlemen have not denied. The issue has been whether the guarantee of deposits is an effective way of restoring this confidence. When we are definitely assured that our money is safe—that the government insures our deposits—then and only then will we be able to place our confidence in a new banking system. The Negative have indicated that deposit insurance

will not correct a weak banking system. It must be understood that the Affirmative do not advocate deposit guarantee as a cure-all. The fundamental evils must also be corrected. But as a part of this new system, public confidence must be present and deposit insurance will bring that confidence.

But the guarantee of bank deposits will do more than this. It will strengthen the Federal Reserve System by requiring banks to be members of that system. It will provide us with a unified, federally controlled and inspected banking structure that will correct the fundamental evils of the old methods of banking and thus prevent a recurrence of the storm of 1933.

The Negative have seriously questioned the workability of the plan. It is true that the plan could never be successful as a local proposition. The experience of eight states proved that. But with the wide diversification of risk under a national system, the plan cannot fail, for a sound actuarial basis exists. We have already shown how this plan could work in the most trying period of banking in the United States, the last eighteen years. But, Ladies and Gentlemen, even if the objections in regard to this were valid, even if this plan were subsidized, we submit that it would be better to have the government subsidize the deposit insurance corporation to the extent of underwriting every penny than to permit a situation such as that of last spring to recur.

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MAKING THE AGRICULTURAL  
ADJUSTMENT ACT  
PERMANENT

*An Open Forum Debate*



# MAKING THE AGRICULTURAL ADJUSTMENT ACT PERMANENT

## IOWA STATE COLLEGE AFFIRMATIVE VS. UNIVERSITY OF MINNESOTA NEGATIVE

The debate which follows was held before a gathering of Iowa farmers at Ames, Iowa, on February 7, 1934, as a feature number on the program of Farm and Home Week, held annually by the Iowa State College; and was presented by representatives of the University of Minnesota and Iowa State College. No decision was rendered, the purpose of the contesting teams being to present basic arguments for and against the production control plan to an audience vitally concerned in the subject. An open forum followed the debate; it lasted about one hour. At the request of the two institutions represented, stenographic copies of this debate were later read over the radio stations of Iowa State College, WOI, and the University of Minnesota, WLB. This report of the debate and the accompanying bibliography were secured for *Intercollegiate Debates*, through F. L. Whan of the Department of Public Speaking, Iowa State College, and F. H. Knower of the Department of Speech, University of Minnesota.

The proposition was worded, *Resolved: That the United States should make the Agricultural Adjustment Act's policy of production control a permanent measure.*

First Affirmative, Oren Bolin  
Iowa State College

LADIES AND GENTLEMEN: It is with the greatest of pleasure that I welcome the debaters from the University of Minnesota to the campus of Iowa State

College. This debate marks the renewal of forensic relations between the "Gophers" and the "Cyclones" after a recess of several years. But the debate is more significant in the fact that it will reach for the first time every citizen in the two states represented; and in the fact that our question for discussion is more important to the future of Iowa and Minnesota than is any other public issue today.

As the chairman has told you, the Affirmative is resolving *That the United States should make the Agricultural Adjustment Act's policy of production control a permanent measure.* What do we mean by that statement? Just what is this "policy of production control" which we wish to make permanent? As you know, the "purpose of the Agricultural Adjustment Act is to give a purchasing power, when exchanged for non-agricultural products, equal to the pre-war (1910-14) purchasing power." This is called the "parity price." And it is the policy of the makers of this Adjustment Act to use the *control of production* as a means of re-establishing this parity between the things the farmer has to buy and the things he has to sell. It is this policy of "productive control" in establishing and maintaining such parity that we of the Affirmative believe should be made permanent.

Let me explain for just a moment the meaning and need for the re-establishment of a pre-war parity price. Before the war, between 1910 and 1914 for instance, the American farmer was making a reasonable living. Industry, too, was making money. The farmer found that he received enough for his crops to buy a reason-

able amount of the things he did not produce. He was able to live in fair comfort, and to meet his taxes and interest rates. But with the advent of the war this situation changed. Prices on industrial commodities mounted much more rapidly than did those on farm products; so that the same amount of farm produce would buy much less of industrial commodities than it did before the war. Since the war an even wider disparity has appeared. One hundred bushels of corn, for example, will buy much less than it did in 1914. In fact, the purchasing power of farm products has steadily declined until today it will buy only one-half as much as it did before the war. Iowa, the best farm state in the country, has operated at a complete loss since 1920. In fact, the Department of Agriculture reports that, translating this difference into actual dollars and cents, the farmers of Iowa have lost from 1920 to 1933, inclusive, a total of approximately one billion nine hundred twenty million dollars. This means an actual loss in crop income to Iowa agriculture of nine thousand dollars per farm for the entire thirteen year period—or four dollars and thirty cents per acre per year based on the entire farm acreage. And remember that this loss to our state is entirely due to the difference in price levels between agriculture and industry—not to the decline of market prices in general since the war. If the farmer is to be aided, we must certainly re-establish the pre-war equality in prices. And that equality must be maintained.

But, you ask, why has the farmer's dollars been cut in half in comparison to the industrial dollar? During

the war both industry and agriculture expanded tremendously to feed and clothe a European population that had stopped producing in order to fight. At the close of the war industry turned its attention from the manufacture of necessities to the manufacture of luxuries, and thus staved off the day when it must cut production. Also, Europe first went back to the land, another factor in making agricultural surplus appear in America soon after the war. And as agricultural surpluses grew, agricultural prices dropped, while industrial prices held up. Finally, industrial surpluses began to appear. But organized industry had only to lay off men and work its plants at partial capacity in order to keep these surpluses down and prices at a higher level than they would otherwise have been. The farmer, however, continued to produce. Being unorganized, agriculture found it hard to follow industry in cutting production, and surpluses continued to grow until today we find agriculture producing each year so much more than is needed that ruinous prices appear. Hence, we see that the entire disparity of agricultural and industrial prices is caused by agricultural overproduction—by yearly surpluses that glut the market.

Now, three possible courses are open to the farmers of the country. They can either attempt to get back those foreign markets that used to consume the surpluses; they can continue to produce too much at ruinous prices until so many farmers fail that production is automatically cut; or they can voluntarily reduce production to meet market needs. Let us look at these three courses.

First of all, what possible chance do we have of regaining foreign markets lost since the war? None! Foreign countries are making strenuous efforts to produce their food at home. Tariffs, import quotas, and other impediments to trade make it increasingly difficult to sell agricultural products abroad. For instance, Germany has a tariff of sixteen dollars and twenty cents per hundred pounds on lard. Tariffs on wheat in France, Germany, and Italy are two or three times as much as the world price on wheat. Europe decreased its farm acreage thirty-two million acres during the war. All this and much more has been put back into cultivation. Looking at our own most important commodity, hogs, for the moment, we see the impossibility of the situation at once. In 1914 we exported four million head; by 1919 we were exporting seventeen million head. Since that time our exports have steadily decreased until in 1933 we exported less than the original five million. But we still produced the 1919 number. Germany and Denmark alone have increased hog production about twenty-two million head since 1919. In short, Europe has made it plain that she does not intend to continue to depend on us for food. Obviously, our war-time markets are lost to us forever. As Secretary Wallace has so often said, United States agriculture cannot hope to get rid of the excess production by selling abroad.

The second possibility, that of continuing production at ruinous prices in the hope of bankrupting enough farmers to automatically cut production the necessary amount, is obviously too ridiculous to consider. It is

the policy we followed from 1920 to 1933, and it has nearly ruined Iowa and Minnesota.

The only other course is to cut production voluntarily to domestic consumption plus what can be still sold abroad, and to do it in an orderly way. For years the Department of Agriculture has advised the farmer to so cut production. But so long as agriculture is unorganized, individual farmers feel helpless, and continue to produce in desperation. Obviously, with an industry of such tremendous size, some agency is needed to guide and promote such reduction. Obviously, too, the individual farmer must be given some concrete incentive, some guarantee that he will not personally lose if he reduces his operations. As a result, the Agricultural Adjustment Act was created as a temporary measure. You all know how it works in the crops that interest you. Eighty-five to ninety per cent of the wheat farmers of the country have joined. The corn and hog program is well under way. It has been explained so many times over this station that I need not go into the details of its operation. We are not here to explain the details of this plan. We are here to decide whether or not this *policy* of controlling production under governmental supervision by voluntary means should be made permanent, rather than temporary. We believe that it should for a number of reasons.

First of all, suppose we discard the plan after a year or two. It is true that the parity in prices should be re-established by that time. But what would happen? Farmers would once more increase production to the



original figure as soon as governmental benefits and contracts have been withdrawn. With prices at a good level, with the equipment and land ready for even greater production after the period of rest, overproduction is bound to re-occur; and the parity between the prices of the things the farmer has to sell and those he has to buy will again be lost. We *must* maintain this parity once it is established. And the only way that that can be accomplished is by a continued reduction over present production. The best method of assuring ourselves that production will remain at a reasonable figure is to continue to make it worth the while of the individual farmer to keep production down. And the only way we can make the individual farmer feel that it is worth his while, is to guarantee, through a production control plan such as we are having today, that he will not lose by a reduction in his operations.

And when we remember that increased farm income has beneficial effects on industry as well as agriculture, it seems even more advisable to keep price parity permanently. If you were to chart industrial output and farm income, for instance, from 1920 to 1933, taking the 1923-25 figures as a base, you would find that agricultural income dropped exactly fifty per cent in that time, and that industrial output dropped exactly the same amount. Such a chart shows clearly that the operation of factories and plants in the cities depends upon the buying power in rural districts. Last spring, officials estimated that sixty per cent of the city unemployment was due to low farm buying power. That means that seven million city people were out of work

because farmers could not buy. The prosperity of the nation depends on the prosperity of agriculture. The prosperity of agriculture in turn depends, as I have shown, upon the parity between farm and industrial prices. It is essential, then, to the welfare of the entire nation that we make permanent a plan that will re-establish and maintain this necessary equality in prices.

Ladies and Gentlemen, it cannot be too strongly emphasized that the agricultural adjustment legislation is permissive legislation. It encourages farmers voluntarily to organize for their own protection. It offers the individual farmer individual inducement to cut production, a thing he would never dare do without such inducement. And such reduction will establish and maintain price equality only so long as the farmers are organized in reducing their output. Certainly, then, we must make the plan a permanent one! We can't afford to slip back at the end of a temporary period into the old ruinous ways. I ask you to agree with my colleague and me when we say that the A.A.A. policy of production control should be made permanent.

First Negative, Arnold Baron  
Minnesota University

LADIES AND GENTLEMEN: May I take this opportunity of thanking the gentlemen from Iowa State College for their invitation to discuss this important and timely proposition with them today.

I should like to impress upon you the fact that we

are just as vitally concerned with the welfare of the American farmer as are our friends of the opposition. We realize fully the precarious position in which the farmer finds himself today; and we are opposing this policy of production control, not because we are unwilling to help the farmer, but because we are convinced, and we shall show you, that this policy not only fails to help the farmer but also that it is actually harmful to his interests.

In our discussion we shall first show how the permissive nature of the act will keep it from succeeding. We shall also deal with the three alternatives with which, according to the gentlemen of the opposition, the American farmer is confronted, showing you how in each case the reasoning of the opposition is meager justification for the adoption of such an extreme measure.

Our first objection to the Affirmative case is that the Agricultural Adjustment Act exercises only voluntary control. In the words of the gentleman who has just left the floor, "It cannot be too strongly emphasized that the Agricultural Adjustment legislation is permissive legislation." Even if this policy were sound otherwise, the fact that it is permissive would keep it from succeeding. The advocates of production control tell us that eighty-five to ninety per cent of the wheat farmers of the country have agreed to follow the policy of production control; and yet facts show that, whereas the administration had planned to curtail the production of wheat by fifteen per cent, it has only been cut by seven and one half per cent. This is due to the fact

that the ten per cent who have not signed up can increase their acreage enough to throw off the entire schedule. In all fields the non-signers will naturally increase their production in an effort to increase their incomes, and since this policy is admittedly voluntary, there is no way to stop them. Thus the efforts of the administration could not possibly succeed because of the permissive nature of the control.

Let us now consider the three courses which the opposition points out are open to the farmer. The first alternative which they present is that of foreign markets. Here also we wish to take issue with them. In order to get a scientific point of view let us consider facts which show what percentage of our total domestic crop is exported. If we find that a comparatively small proportion of our crops is exported, then we shall have to accept the conclusion of the opposition. If, on the other hand, we find that a large proportion of our crops is exported, then we shall be forced to conclude that, contrary to the contention of the gentlemen of the opposition, our foreign markets cannot be done away with.

From the book, *The American Farmer and the Export Market*, by Professors Jesness and McDowell of the Agricultural Economics department at the University of Minnesota, we take the following facts. These figures are from the years 1920-1930 inclusive. During this period an average of thirteen and one-tenth per cent of our oats crop was exported annually, forty-six and five-tenths per cent of the domestic consumption of rye was marketed abroad, twenty-two and

four-tenths per cent of the wheat crop was exported annually, cotton exports averaged fifty-three and one-half per cent of the total production, and thirty-three and two-tenths per cent of the tobacco crop was exported. During this same period annual exports of pork and lard averaged one million three hundred twenty-eight thousand pounds. Elimination of cotton exports would require a reduction of fifty per cent of the present acreage of twenty million acres.

Let us now consider the purpose for which we undertook this analysis of facts. We wanted to discover just how important our exports were. We have seen that the exports of our largest crops vary from twenty-two to fifty-three per cent of our total production. Because of this large percentage we are forced to agree with these same two professors when they say that, "The conclusion seems inescapable that national self-sufficiency is not practicable, and that our cotton, wheat, corn, hog, and tobacco farmers will find it necessary to meet the competition of other export countries." Thus we see that the gentlemen of the opposition have committed a grave fallacy in eliminating their first alternative, foreign markets.

Let us continue by examining their second alternative, that of bankrupting enough farmers to automatically cut production, which they tell us is "too ridiculous to be considered." However, if present production is to be curtailed, some of our farmers must necessarily be thrown out of work. We are supported in this contention by M. L. Wilson, head of the Agricultural Economics department of Montana State Col-

lege when he says, "If such a national agricultural and land use planning board worked carefully over the agricultural plant of the United States, it is estimated that two million of the present six million farm families would not be needed in commercial agricultural production." In other words, the very evil which the Affirmative bewails in this second alternative will be further aggravated by their policy of production control.

There yet remains to be considered their third alternative, the present policy of production control. It is upon this alternative that we wish to concentrate our main attack. The Affirmative has failed to show why production control should be made a permanent policy. They have failed to show that this policy has been a success thus far, merely making this assumption—an assumption which my colleague and I are entirely unwilling to grant. Obviously, if the policy has not been a success thus far, there can be no reason whatsoever for making it a permanent policy. Consequently, if we can show you that up to this point the policy of production control has failed to accomplish its objective, then we shall ask you to conclude with us against this policy as a permanent measure.

Our opposition has stressed the point that the parity price is the objective of production control; the Negative proposes to show you that production control has not only failed to achieve this objective, but that at present prices are actually tending away from parity. From the *Monthly Review of Credit and Business Conditions* for December 1, 1933 we take the following

facts. Wheat which was worth eighty-six cents at the end of October had slipped to eighty-two cents at the end of November. Hogs registered a net loss in price of about twelve per cent between the end of October and the end of November. Mind you, both of these are products whose production the A.A.A. has attempted to control. Moreover, if the advocates of production control would have us believe that the A.A.A. has even been successful in curtailing production how do they account for the fact that the cotton crop this year was larger than that of last year? In line with this point it has been suggested that instead of every third row of cotton being plowed under a more equitable arrangement would be to have every third member of the Farm Relief Board plowed under.

In the *Congressional Record* for January 10, 1933, page three hundred ninety, we find among the remarks of Senator L. J. Dickinson of Iowa, price scales compiled by Chester H. Gray which show that from July up through December thirteenth (the latest date at which figures were available) the prices received by farmers have constantly declined whereas the prices paid by farmers for things bought have constantly increased during this same period. In July the prices received by farmers were at seventy-six, in October, at seventy, and in December, at sixty-eight. In July the prices paid by farmers were at one hundred seven, in October, at one hundred sixteen, and in December, at one hundred eighteen. These facts show clearly that the tendency, since the A.A.A. has gone into effect has consistently been away from, rather than toward a

parity price. Would the gentlemen of the opposition still have us adopt production control as a permanent policy when we have shown that *the very objective which they have named has each week become more remote?*

In short, we have shown that the plan could not possibly succeed because of the permissive nature of the act. Next we have dealt with the three alternatives suggested by the Affirmative. In the first instance we have shown that, contrary to the contention of the Affirmative, the export market is a very vital part of our agricultural system. In the second instance we have shown that production control will do just what the opposition are seeking to avoid in eliminating their second alternative, that of bankrupting enough of the farmers to put the rest of them back on their feet. Finally, we have shown that their third alternative, production control, has not accomplished its purpose. Hence, we feel that the A.A.A.'s policy of production control should not be adopted as a permanent measure.

Second Affirmative, Harlan Harrison  
Iowa State College

LADIES AND GENTLEMEN: Mr. Baron, who has just spoken, has certainly proved one thing conclusively. I am sure that he led all of us to the same conclusion. He has proved beyond any question of doubt that he is not a close follower of agricultural problems; of our trade relations with foreign countries; and particularly with the tendencies of farm markets, and the working



of the Agricultural Adjustment Act. Perhaps the easiest way of examining his somewhat hastily made conclusions is to consider his arguments point by point in the order in which he made them.

Now, Mr. Baron's first point was to this effect: That the A.A.A. cannot possibly succeed because it is permissive legislation—that is, because it calls for voluntary action and does not *force* the farmers to cooperate. I can hardly believe that Mr. Baron seriously advocates asking the government to force the farmers to cooperate. Furthermore, that is not necessary. You will remember that Mr. Baron based his conclusion, that the permissive feature will cause the A.A.A. plan to fail, on one bit of evidence. He tells us that wheat acreage has only been cut seven and one-half per cent, although ninety per cent of the farmers have agreed to a fifteen per cent reduction. He assumed that the difference was due to increases made by non-signers. Now, as a matter of fact, on January 19th the Department of Agriculture published a statement to the effect that the reduction of wheat acreage was seventy-seven per cent of the expected reduction. The chief differences between expected and actual reduction were found in the two states of Oregon and South Dakota. Officials of the administration said that farmers in these two states were undoubtedly planning to make their reduction in Spring sowings, rather than in the fall. The difference, then, is not due to expansion of non-signers, as Mr. Baron assumed, but to a change in program of contract signers. Reductions in all other states were up to expectation with the exception of

slight differences in North Carolina, Kentucky, and Tennessee. Furthermore, non-signers have but their own farms to operate. *Farms* are used as a base, not farmers. If it were true that the non-signers have increased their wheat acreage, they have had to do so by cutting their production of other crops. As a result we could look for even greater decreases in acreage put to other commodities. It is easy to see that Mr. Baron was somewhat hasty in assuming that the plan will fail because reduction in wheat acreage was twenty-three per cent below expectation in fall sowings.

Then, too, this very argument only further proves the necessity of making the plan permanent. If non-signers really kept prices down in one crop, the prices of other crops would be that much higher. And if the plan were discontinued at this point, little would have been accomplished in the commodity in which low prices were found. But if the plan was made permanent, the very fact, that prices in crops on which an actual reduction took place were higher than in other commodities, would cause former non-signers to join in acreage reduction the second year. It is imperative, then, that the plan be made permanent.

Mr. Baron's second argument seemed to be that our foreign trade will take care of the surplus. Now, in advocating that foreign trade is large, Mr. Baron made two grave mistakes which indicate either carelessness or a desire to mislead his audience. First, he misinterpreted what Mr. Bolin said about our foreign trade and what the A.A.A. policy towards foreign trade really is. The A.A.A. authorities have no intention of "elim-

nating" the foreign markets that still exist. And Mr. Bolin made no such suggestion. Let me quote for you exactly what my colleague did say, ". . . our *war time* markets are lost to us forever. . . . The only other course is to cut production voluntarily to domestic consumption *plus* what can be still sold abroad . . ." So Mr. Baron's charge that we have committed a "fallacy in eliminating" foreign markets is based on a misunderstanding of the Agricultural Adjustment Act, and does not prove that it is wrong in theory.

His second fallacy in arriving at the conclusion that foreign markets offer a great hope of relief was in using figures for the years 1920-1930 to prove his point. He spent quite a bit of time in speaking of the percentages of our crops that are sent abroad (and incidentally some of the crops he mentioned are not even included in the provisions of the Act). But the percentages he used were average percentages for the ten year period following 1920. The point is that they do not represent the amount we now sell abroad. Because of the war, Europe's acreage of staple crops in 1920 was reduced eight-two million acres below pre-war years; while the United States' acreages were increased more than thirty million. Since 1925, Europe has increased her crop acreage by eighty-one million acres. In fact, by 1932 Europe had a net increase over pre-war years of fifty-two million acres of crop land; and during the same time Canada, Australia, and Argentina had a forty-one million acre increase. As for hogs, Germany and Denmark alone have increased slaughter by twenty-four million head since 1919. Our exports in hogs have,

therefore, dropped over twelve million head since that time. It's true that we still export a certain part of our crops—but nowhere near the percentages indicated by Mr. Baron's figures. And the A.A.A. organization intends to see to it that we lose no more of these markets. But the point is that we cannot expect to get our war time markets back. We cannot expect to export all of our surplus production. War time markets took all of our surplus. Present export markets cannot hope to do so—and that was the point Mr. Bolin made. Mr. Baron's figures were interesting, but they have nothing to do with the point under consideration. They do not prove that we can regain the markets we have lost. They only prove we have lost most of our export trade. Certainly, the outdated figures quoted by Mr. Baron do not in any way condemn the Agricultural Adjustment Act and its policy of Production Control.

Mr. Baron's next point seemed to be that two million farmers must go bankrupt in order to save agriculture. He based his argument on one quotation by Professor Wilson of Montana State College. Now perhaps Mr. Baron does not know it, but Professor Wilson was the father of the Agricultural Adjustment policy. It was Professor Wilson who a year or two ago figured out the Voluntary Domestic Allotment plan (which the Department of Agriculture is now using) as the only possible solution to our present predicament. Professor Wilson *advocated* Voluntary Domestic Allotment in order to *save* two million farmers. Why he talked over this very station last year one hour before a debate between Kansas State College and Iowa State

College on the question of aiding the farmers. Many of you doubtless remember his talk. Certainly, he did not tell you that the plan of his dreams, which has since become the A.A.A., would throw two million farmers out of employment. In fact, the quotation Mr. Baron read to you did not say that. Mr. Baron quoted Mr. Wilson as saying that *if* some kind of a "land use" planning board worked on our agricultural plant, we could get along without two million farmers. True! We probably *could*! But we don't want to get along without two million farmers. And it is to save us from this calamity that Mr. Wilson and the government have given us the A.A.A., which we believe should be made permanent. The A.A.A. organization is not a "planning board"; it is a means of organizing the farmers in curtailing production. I am sure that you can see that Mr. Baron's somewhat vague quotation does not prove that we should let agriculture drift until enough farmers are starved to bring down production to the necessary level.

I might add that his very support of such a plan refutes his first argument that we can sell all our surplus abroad. If we can sell it abroad, we won't need to bankrupt two million farmers to reduce production. His arguments are not consistent on this point.

And Mr. Baron's last point has to do with the present working of the Adjustment plan. He bases his entire argument here upon one assumption, and you will presently see how much of an assumption that is. He tells us that prices, instead of going up, have gone down since last October. Apparently he does not know

that a slight price drop in November is something that has been happening to farm markets for the last fifty years. It is a natural result of market conditions not of Adjustment plan policies. He tells us that wheat fluctuated between eighty-six cents and eighty-two cents last fall. But does he know, as you do, I am sure, that before the Adjustment Act was made operative, in the fall of 1932, wheat sold for forty-five cents or lower? Need I say more to convince him that prices are actually rising, instead of falling, and that a drop in fall prices is to be expected each year. But he goes on to tell you that the July price was higher than the October price. Why shouldn't it be? In July the crops were in the field for the most part—in October most of the crops were on the market and the supply was temporarily high. Not only last year, but every year, the price level in the fall has been lower than it was the preceding summer. But if we compare the 1933 July level with that of July 1932 you will see an increase from fifty-six to seventy-six. Certainly, the A.A.A. plan is proving successful, and Mr. Baron's last point was unsoundly based.

Now, Ladies and Gentlemen, I have taken up, point by point, Mr. Baron's arguments and shown you wherein he was wrong in saying that the Adjustment Act policies should not be adopted as a permanent measure. In addition to disproving his objections, I have tried to give you some idea of why we are so strongly in favor of making the policy of production control permanent. It will insure the farmer an even

“break” with industry; it will keep industrial and agricultural prices on a parity. Such a plan deserves to be made permanent.

Second Negative, Jerome Kaufman  
Minnesota University

LADIES AND GENTLEMEN: I am sure that many of you have been impressed by the persuasive argument of Mr. Harrison who has just left the floor. But in spite of his persuasion, I am disappointed that our opponents have been able to bring forth no better explanation of the farm situation and defense of the Agricultural Adjustment Act than they have given us. Instead of presenting a positive argument on the soundness of the policy of the Agricultural Adjustment Act, Mr. Harrison has preferred to spend his time pecking away at the details of my colleague's argument and has accomplished nothing but a confusion of the issues involved. It is not my colleague and I who are on trial in this debate. It is the A.A.A. Mr. Harrison is equally open to charges of begging the question and attempting to shift the burden of proof. This type of debating will get us nowhere. Hence let us turn our course from the discussion of details and personalities to the analysis of issues and presentation of evidence.

If our opponents expect to establish their proposition, it would seem that they must offer a preponderance of evidence on the Affirmative of the following questions. *First*, has the production control feature of the A.A.A. actually achieved its objective of parity

prices for the farmer? *Second*, is there a probability that it will be able to establish parity prices in the future by production control? *Third*, even if parity prices could be established temporarily by the A.A.A.'s policy of production control, would the benefits derived be worth the tremendous risk involved in placing its enormous power and responsibility in the hands of one man? I propose to refer briefly to Mr. Harrison's treatment of the first of these issues as developed by my colleague.

The opposition has attempted to justify their plea for making the production control policy of the A.A.A. permanent on the basis of an increase in farm prices over those of 1932. To be sure, the prices the farmer receives for his products are much higher this year. But this argument by the opposition is fallacious in two respects. In the first place, Mr. Baron showed you that since the A.A.A. has gone into operation, farm prices have shown a steady decline. Mr. Harrison attributes this decline to seasonal trends. Well, if the A.A.A. has been unable to do anything to counteract this usual seasonal trend, is this not evidence that the A.A.A.'s policies are powerless to influence farm prices in the face of fundamentally contrary economic laws. In the second place, the most glaring fallacy in this argument seems to have completely escaped the opposition. I speak specifically of the fact pointed out by your own Senator Dickinson of Iowa as quoted by Mr. Baron. Regardless of any increase in agricultural prices, the purchasing power of the farmer, or parity price, the very objective of the A.A.A. has considerably



decreased since its adoption. If Senator Dickinson's authority is not sufficiently convincing, let me cite additional evidence to support this fact. One of our leading farmer's organizations, the American Farm Bureau Federation, in a resolution introduced in the *Congressional Record* of January 22, 1934, on page 1038, offers the statement, "It has become painfully evident in recent months that prices on farm products have not increased in proportion to increases in farm costs on articles farmers must buy." Obviously then, the objective of the A.A.A. emphasized so strongly by Mr. Bolin, has not been attained. Since it is unable to help the farmer, there is no reason for making it permanent.

Turning to the second issue in this discussion, we wish to point out that even if the A.A.A. could raise farm prices temporarily, it cannot possibly be expected to give the farmer real prosperity in the future, based as it is on fundamentally fallacious economic policies. The most dangerous of these fallacies lies in the assumption that what we need is a limitation of production, rather than a stimulation of consumption. The resolution of the American Farm Bureau Federation previously cited points out that "The industrial market for farm crops, if thoroughly developed, would eliminate much of the present surplus." Former Governor Philip La Follette of Wisconsin pointed out in a speech at the University of Minnesota on January 23, that much of the present plight of the farmer may be traced to the contraction of urban markets in recent years. In order to help the farmer we must make it easier for the city dweller to buy the farmer's products.

The A.A.A. would achieve this by raising prices to the point where the city man will be unable to buy even as much of them as he can at present. This must result in greater farm surpluses. Thus the A.A.A. hopes to eliminate surpluses by creating greater surpluses for the farmer. As Senator Copeland said in a speech reported in the *Congressional Record* of January 23 of this year, "If our people were properly fed, there would be no wheat to export." Or in other words, there would be no surplus to worry about. Hence our so-called surpluses are not surpluses in fact.

The second of these fallacies is one with which my colleague has already dealt. I refer to the fact that no policy of agricultural improvement can succeed which does not include as a specific part of its program a provision for the stimulation of our foreign trade in farm products. Professor Jessness of the Agricultural Economics Department of the University of Minnesota has said, "Any program which seeks to raise domestic prices without regard to the world situation tends to be decidedly nationalistic. The A.A.A. falls in this class." The American Farm Bureau Federation recognizes the need of our foreign markets as an integral part of any farm program for recovery, in their resolution previously mentioned. They state, "We therefore urge, that every effort be made to initiate the effective adjustment of production with foreign purchasing power as soon as possible, so that the foreign markets will be reopened for agricultural surpluses." Now it follows logically that since foreign trade depends upon an exportable surplus, and since the success of the

American Farmer depends upon foreign trade, the A.A.A. policy of destruction of farm surpluses will mean the destruction of the American farmer. The A.A.A. policy of production control should not be adopted permanently because it does not make adequate provision for either the complete utilization of potential home markets or development of markets abroad. Either of these solutions would be better than the policy of limitation of production now in operation. Both should be employed in a sound agricultural program.

Our final objection to the proposition is that it places far too much power over American farming in the hands of one man, the Secretary of Agriculture. To quote Senator Glass, "There is no human being ever created by God upon whom I would confer the authority and the power the Agricultural Adjustment Act gives to the Secretary of Agriculture." Secretaries in the President's cabinet sometimes are not persons to whom the people can look for dependable leadership. They are frequently political appointees who know little about their responsibilities at the time of taking office. We need not go further back in history than the appointment of Secretary Woodin to the Department of Treasury for an example of this point. One is compelled to wonder in light of the trend of activity in the Department of Agriculture, whether our present Secretary of Agriculture is a sufficiently positive leader to guide us out of a crisis with any plan. At as recent a date as January 12, Secretary Wallace is quoted in a U.P. dispatch as saying that there are at least five

future programs open to the American farmers, and he wishes that they would make up their minds as to what they want. Does this sound like the statement of a constructive leader? The best that can be said for our present Secretary of Agriculture is that he considers our present A.A.A. policy as but an experiment. Certainly he has never advocated that the A.A.A.'s policy of production control be made permanent. Moreover, President Roosevelt announced at the launching of his program that he considered present measures purely experimental. In fact, an A.P. dispatch of January 26, cites the President as being ready to abandon the voluntary acreage reduction plan for cotton. Yet our opponents rush in where men who are in a position to know would not think of treading.

Furthermore, cabinet positions are sometimes filled by men lacking in principle. A Fall or Doheny as director of the Department of Agriculture under the A.A.A. might create a sorry picture indeed. Suppose, for instance, that the Secretary of Agriculture was a man interested in potato growing, and wished to popularize potato flour and potato bread. It would be easy for him to raise wheat prices high enough to drive half our wheat farmers into bankruptcy. There are many leaders in public life today who find reason to contend that our present administrators are not working exactly in the public good. In a speech which may be found in the *Congressional Record* for January 22, on page 1116, Senator Nye makes the following statement; "I say that as agencies providing for protection of the general public as against special and business interests,

neither N.R.A. or A.A.A. merits even consideration." It is trifling with destruction to put the weapon of production control into the hands of whom-so-ever chance elects to become Secretary of Agriculture.

Let us bring our case, then, to a conclusion. It has been our purpose on behalf of the American farmer to show you that the establishment of the policy of farm parity prices under A.A.A. has been a complete failure. Furthermore, its unsound policies give us no reason to assume that it can succeed in the future. And finally the centralization of power in the hands of the Secretary of Agriculture, which the act provides, constitutes a vital threat to the future interests and well-being not only of our farmers, but of every American citizen. For these reasons we object to making the Agriculture Adjustment Act's policy of production control permanent.

**First Affirmative Rebuttal, Oren Bolin**  
**Iowa State College**

LADIES AND GENTLEMEN: I am sorry that Mr. Kaufman who has just left the floor has been disappointed in our arguments this afternoon. His disappointment, however, does not disprove our contention that the A.A.A. policy of production control should be made permanent. Mr. Kaufman criticized Mr. Harrison for refuting Mr. Baron's arguments. Does Mr. Kaufman reserve for himself all right at refutation? If so, he will be disappointed again, for I intend to show you that his own objections to the plan we are proposing will not stand critical analysis. Before doing so,

however, I would like to ask him why he condemns Secretary Wallace as being incapable in one breath and then quotes Secretary Wallace in the next breath to prove a point for the Negative?

Mr. Kaufman's first argument was based on the old strategic device of forcing the Affirmative to waste time. He told you we had to prove three things. I take it that he is willing to center the entire debate about those three points. Let us see what he challenges us to prove.

First, he says that we must prove that the A.A.A. has actually achieved its objective of a parity price. Mr. Kaufman seems to forget that it has not started to operate on beef; that the corn farmers are still in the process of signing contracts to cut next year's acreage; that the shortened wheat crop will not reach the market for six more months; and that the only crop in which the A.A.A. plan of production control has had a chance to work so far has been in cotton. Hence, his quotations of price decline in pork and wheat have nothing to do with the argument, although it is to be noted that the very promise of a future decline in production has kept the price from falling to an unusual level, and has today forced prices far above the point at which they rested in the fall of 1932. We can not prove that parity prices have been reached in wheat, hogs or beef—the reduction has not been made on those products. But we can and do maintain that the bill has worked in cotton. Since the reduction of cotton acreage, prices have risen from four and one-half cents per pound to eleven cents per pound. Less than a

twenty-five per cent reduction in acreage increased the cotton farmer's income by three hundred twelve million dollars.

And so his first question has been answered. In the only instance where the A.A.A. has had a chance to work, it has definitely proved itself capable of giving the farmer a greater income than was possible under the old production program.

His second question seemed to be, "Will production control maintain parity prices in the future?" His reason for believing it would not was peculiar. He says that we have no surplus. Ridiculous! But supposing that in the future, industry does offer to purchase more agricultural products. Supposing we do get some of our foreign markets back—I only wish we could, but I fear that that is impossible. The A.A.A. would still be needed to keep the increase in production at a necessary level. The gentleman does not understand the plan if he thinks that it is merely an acreage reduction plan. It is a plan for *controlled production*—it is elastic! It can be adjusted from year to year to take care of any increase or decrease that Mr. Kaufman chooses to prophesy. His entire argument fails to prove that the plan should not be made permanent, for the A.A.A. policy of production control merely offers the farmers a method of cooperating in producing the amount that can be sold at a reasonable level. Hence, you see, Ladies and Gentlemen, the second argument advanced by Mr. Kaufman does not prove that the A.A.A. should not be permanent in its action to limit production to the amount that can be sold; nor does it

change one bit the firm conviction that Mr. Harrison and I have that this is the only way to keep two million farmers from undue suffering.

The only other issue in this debate, according to Mr. Kaufman is so absurd as to need no remarks from me. He tells you that we must prove that a parity price is worth the risk involved in giving Secretary Wallace the right to let farmers organize to keep from being ruined. The gentleman evidently disagrees with his colleague, Mr. Baron, who told you that he had the farmer's interests at heart. I am sure, Mr. Kaufman, that I do not have to prove to an Iowa audience that the farmer needs a parity price; for Iowa audiences know that the disparity has cost this state two billion dollars—our state alone! Think of it! And still Mr. Kaufman wants to know if it is worth the risk and the trouble. I am sure that you will agree with me when I say that any program of production control that could save Iowa farmers two billion dollars would be worth a considerable risk.

Now I have taken the three questions that Mr. Kaufman was so insistent that we answer. Not one of these questions proves that the policy of production control of the A.A.A. should not be made permanent. On the other hand we have shown how this policy has saved the cotton farmer from ruin and added three hundred twelve million dollars to his income. It has nearly doubled the price of wheat by a promise of a smaller crop six months from now. Surely with such overwhelming success, the Negative will have to agree with us that the production control policy of the A.A.A. should be made permanent.



Negative Rebuttal, Arnold Baron  
Minnesota University

LADIES AND GENTLEMEN: There is a strategy in debating known as attacking at the weakest point. We want to congratulate our opponents this afternoon on their cleverness in the use of this device. The chief center of their attack in their adoption of this strategy, we feel to be a distinct compliment to our argument. Until the last speech they have made little attempt to deal with the fundamental issues of this controversy and have centered their attack on what we readily admit to be the weakest point of this whole argument, myself and my colleague. Although we see nothing good in the arguments of the opposition this afternoon, we are willing to admit that they are clever. Both of our opponents seem to be following the advice of the elderly attorney who suggested to the young man just entering the bar, "If the evidence is in your favor, emphasize the evidence; if the law is in your favor, emphasize the law; but if neither the evidence nor the law is in your favor, give the opposition eternal blazes." For a large part of the time, the gentlemen of the opposition have chosen to follow this last course. Of course, when neither the evidence nor the law is on one's side it is necessary to be clever.

But now as this debate draws to a close, we see our opponents becoming more willing to define the issues and debate the question. We want to thank them for making such a valiant attempt to get back to the issues of the controversy as we have outlined them. Obviously then, the opposition is willing to rest your deci-

sion in this discussion on the evidence relating to these three issues. Let us now take up these issues as treated by Mr. Bolin and see where the debate really stands.

Our first contention has been that parity price for farm products has not been established. We are pleased to note that the opponents seem willing to admit this point in two ways. First, they have completely ignored the evidence we have submitted from such authorities as your own Senator Dickinson, Senator Nye, Senator Capper, the American Farm Bureau Federation, and The National Grange on the disparity of farm prices since the inception of the A.A.A. And in the second place they admit that the A.A.A.'s policy of production control has not yet had an opportunity to operate on any commodity but cotton. They assume that the increase in cotton prices has been caused by the A.A.A. But as we have shown you, the cotton crop of this year was larger than that of last year. Therefore, the increases in cotton prices this year have occurred in spite of, not because of, the A.A.A.'s policy of production control. Our interpretation of this situation finds additional support in the citations of Mr. Kaufman, showing you that the control of this product, cotton, on which the opposition rest their entire case, is likely to be abandoned by the President upon advice of Alabama Representatives that the voluntary control of cotton production threatens to break down. At this point in the discussion we find that the opposition have impaled themselves on the horns of a dilemma. Either the A.A.A. has had or it has not had a sufficient trial. If, on one hand, it has had a sufficient trial it should

not be adopted as a permanent measure because, as we have shown you, and as our opponents have admitted, it has failed to establish a parity price. If, on the other hand, it has not had a sufficient trial, which the opposition seems also to admit, there is certainly no point in making it a permanent measure. And so we see that, regardless of whether the A.A.A. has or has not had a sufficient trial, it still should not be adopted as a permanent policy.

Taking up the second contention, we have shown you that the Agricultural Adjustment Act cannot be expected to establish parity prices in the future because it is based on economic fallacies. Mr. Bolin apparently misinterpreted our argument by contending that we denied the existence of surpluses. Now, what Mr. Kaufman really said was that the A.A.A. begins at the wrong end of the recovery process through its denial of market potentialities at home and abroad. Present farm surpluses are actually needed for consumption at home, and still greater surpluses could be consumed abroad. We have cited considerable evidence to show you that any sound program of farm recovery depends upon the development of these markets. Now what the A.A.A. has done has been to promote the destruction of these markets by raising prices to a level which is constantly decreasing consumption. Specific evidence on this point is to be found in a speech appearing in the *Congressional Record* of January 30, 1934 on page 1583. Former Secretary of Treasury Mills says, "But looking to the future I have no confidence that a premium payment will reduce production, and I am sure

that a billion dollar processing tax will curtail consumption. The production of flour for domestic consumption during the four months July to November showed a falling off of over eleven per cent." Thus, as we have said before, the A.A.A.'s policy is one which seeks to eliminate surpluses by creating even greater surpluses. The A.A.A. is, therefore, economically unsound."

Taking up our last main point, we have contended that the Agricultural Adjustment Act should not be maintained as a long time policy because it places too much power in the hands of one man. Mr. Bolin has held out the hope that this measure can save the Iowa farmer two billion dollars through the establishment of parity. Mr. Bolin's two billion dollar flight of imagination seems to have been thrust into the argument with the hope of distracting your attention from the point at issue. Two billion dollars would be a trifling profit compared to the loss which could easily occur to Iowa farmers if an unscrupulous Secretary of Agriculture were to administer this act at some future time. The gentlemen from Iowa apparently base their case on the assumption that your illustrious citizen, Secretary Wallace, will administer this office for ever and a day—a modern Methuselah. It is our firm conviction however, that the A.A.A. will drive the Secretary to a premature grave. When this unfortunate incident occurs, the bags which the Iowa farmer may be left holding promise little return either of grain or milk.

In drawing the Negative case to a close, let us summarize the arguments advanced on both sides of the

question. The Affirmative maintains that production control should be permanently adopted in order to establish parity price. We have shown that parity not only has not been established but that it cannot be established by the measure under discussion. The defense of the opposition is that the A.A.A. has not yet been given a fair trial. We should like to hear from the last speaker for the measure just how he justifies the request for the permanent adoption of a policy which he admits has not even been tried yet.

The second issue is centered around the causes of the failure of this act to establish parity price and the possibility of its future success. We have contended that the A.A.A. cannot succeed because it is based upon unsound economic policies. The answer of our opponents is that we are "Ridiculous" and that, "The gentleman does not understand the plan." Is this not indeed a sorry excuse for lack of defense? We still want to know how our opponents justify a plea for the elimination of surpluses when the act they propose, as we have shown by good authority, creates greater surpluses.

The final issue in the debate raises the question as to the advisability of centering so much power in the hands of one man. We have pointed out that secretaries in the President's Cabinet are sometimes incompetent and unscrupulous. We have shown the extent to which the nation could be exploited under the powers granted by the Agricultural Adjustment Act if it were made permanent. Let Mr. Harrison tell us how he is

going to prevent unprincipled men from exercising these powers.

Until the gentlemen from Iowa can show you wherein our evidence and reasoning are in error, and moreover establish with a preponderance of sound evidence the burden of proof which rests upon them in this discussion, we ask you to deny with us the motion to make the Agricultural Adjustment Act's policy of production control permanent.

Second Affirmative Rebuttal, Harlan Harrison  
Iowa State College

LADIES AND GENTLEMEN: Mr. Baron seemed to feel that there are three important elements in the settlement of this question. Although others come to my mind at this time, I am certainly willing to limit my argument to those three issues and let you decide on them alone whether or not the A.A.A. should be made permanent.

The first issue is this: "Have parity prices been reached? If not, can we say that the plan has worked well enough to deserve being made permanent?" It is certainly true that the A.A.A. has not yet achieved parity prices in all crops. But it is just as true, as we have already pointed out, that the A.A.A. has already done everything that could be expected of it. It has raised cotton prices over one hundred per cent. Wheat, corn, and hog prices are up in mere expectation of the future. In short, the A.A.A. has proved that it is capable of doing the thing for which it was created—

establishing parity prices; and it has definitely established this price in the case of the only crop on which it has fully operated, cotton.

That in itself is enough to demand permanency. But there is yet another reason. What do you think would happen if the Agricultural Adjustment program should suddenly stop? Could farmers, as individuals, reduce their production, and demand higher prices? You know that that is impossible. This situation holds true at any time in the future. We have the land, the farmers, the machinery, and the seed necessary for overproduction. As Wallace tells us, we would have a surplus of seven million hogs on the basis of 1929 consumption. We must abolish that surplus and make sure that it never returns by making the A.A.A. permanent. So much for the first issue.

The second charge they have flung at the A.A.A. is that it will reduce consumption and increase surplus because it will raise prices. This charge, of course, is in opposition to their argument that the A.A.A. will not raise prices. But our question of the moment is whether or not a raise in prices will so decrease consumption as to bring about another surplus. By raising this question the gentlemen definitely align themselves as against any future rise in agricultural prices. And the gentlemen seem to forget that the price we paid for food before the war did not bring about a surplus through decreased consumption. It is to this pre-war parity that we wish prices to rise. Hence, we must conclude that the rise in prices will not so

decrease consumption as to make a surplus inevitable. So much for the second issue.

The third and last issue they raise is this—does the plan place too much power in the hands of one man? Ladies and Gentlemen, the plan is not a one man affair, as you all know. It is true that the organization must have a guiding hand, as must any great organization. But actual control is placed so far as possible in the hands of the farmers themselves. They have their own organizations in their own counties that see to the enforcement features. Secretary Wallace and his assistants have merely started the ball rolling. Now it is up to the American farmers to carry it through. The real administration, and control lies in the hands of your local committees, township leaders, and in the hands of the farmers who are going to put this thing across. And thus, we need not fear the dictatorial power imagined by my opponents, when we realize that it takes the cooperation of the farmers, themselves, to make the plan effective.

Now, Ladies and Gentlemen, I have taken up each of the Negative issues as outlined by Mr. Baron, and have shown you why we must agree that the Agricultural Adjustment Act's policy of production control should be made permanent. The plan shows every promise of being able to do what must be done to save the farmers of this country from ruin. We dare not sit back as we did for four years, for fear that our actions might lead us into danger. Our last President asked us for four long years to have faith that things would right themselves. His policy has proved itself wrong. Our



present leader is the antithesis of his predecessor. He has started us on the road to recovery. Only the people can determine whether we continue down that road or not. Today, Mr. Bolin and I ask you to continue along the lines outlined by our great leader. To keep a plan of farm cooperation that has proved itself to be what is needed. We have shown you that without the A.A.A. the farmer will be lost in the future as he has been lost in the past. And we have shown you that by making the A.A.A. a permanent measure, price parity can be maintained permanently. I am sure that you will agree with Mr. Bolin and myself when we declare that the Agricultural Adjustment Act's policy of production control should be made permanent.

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# DEMOCRACY VS. DICTATORSHIP

*An International Radio Debate*



DEMOCRACY VS. DICTATORSHIP  
CAMBRIDGE UNIVERSITY (ENGLAND)  
AFFIRMATIVE VS.  
LELAND STANFORD UNIVERSITY (CALIFORNIA) NEGATIVE

On November 18, 1933 over the NBC system in the United States and the BBC in England occurred the second trans-Atlantic Radio Debate. This time the debate was also trans-continental as well as trans-Atlantic as a Pacific Coast university represented America. The debate had an added feature of interest for Americans in that Will Rogers, Jr., participated.

The debate is of course necessarily brief on account of the expense of such far distant broadcasting. It has, however, as such a debate should have, the indications of study and careful reflection over the essentials of government.

The discussion at issue was the merits of Democracy and of Dictatorship stated as follows: *The political salvation of the world lies in Democracy rather than in Dictatorship.*

The Cambridge speakers upheld the Affirmative and the Stanford speakers the Negative. There was no decision.

Considerable interest was manifest in the debate as was the case last year when Oxford and Yale universities discussed Socialism by trans-Atlantic radio (See Volume 14 *Intercollegiate Debates*) in the first debate of this kind.

The debate as here presented was submitted for publication by Professor Leland T. Chapin, Director of Debate at Leland Stanford University.

Opening Remarks, Dr. Ray Lyman Wilbur

To appreciate the full significance of the debate of today between the students of Cambridge and those of

Stanford we must go back to those sharp contests between the transplanted Englishmen of Williamsburg, Philadelphia, and Boston and the men of London. A hundred and fifty years of Anglo-Saxon development on a new and strange continent shaped the thinking of those who made the new government that followed the days of 1776. It was of vast importance that George Washington, Benjamin Franklin, and Patrick Henry were out of that British mold, shaped by the balancing of royal prerogatives, Parliamentary government, and the rights of the individual. The administrator, the judge, and the legislator became the active symbols of a distribution of powers in a democracy.

In spite of much creaking of the machinery, the general scheme of representative government has given more advance, more happiness, and more scope to more human beings than has any other form of government in the history of man. It has withstood the wastes of war and depression. Now democracy, in facing the responsibility of the great new possibilities that have come from invention, research, science, the development of industry and agriculture, is back at the old crossroads of a century or more ago—debating the concentration of governmental powers *versus* the diffusion of such powers among a large electorate.

Today over continent and ocean invisible waves are traveling back and forth through sunshine, rain, snow, fog, and darkness to carry human voices to auditors at either end and all along the line so that they may think of the staggering job before us all of controlling ourselves and our own creations. The present world



conditions have laid bare certain governmental weaknesses which must be understood if they are to be met. We cannot judge the attitudes of the universities or the peoples concerned by the sides taken here, for they were determined by lot. It would be helpful if those who listen in should express an opinion of the merits of the individual debaters, rather than vote their feelings on the topic discussed.

This radio debate is historic in that it is the second of its kind, following that of Yale and Oxford of last year.

There is a new unity in the world. Our people can not only hear the statesmen of other countries but can debate fundamental questions before those who make national decisions at the polls. This means, too, that the peoples of the world will inevitably be brought closer together in the years ahead, in spite of present attempts to withdraw into narrower circles.

My pleasant duty now is to introduce to the peoples of two nations a man who is thousands of miles away and whom I have never seen. It is an honor to present Mr. H. B. R. Cooke, of our friendly neighbor, the University of Cambridge, who will speak from the studios of the British Broadcasting Corporation.

**First Affirmative, S. B. R. Cooke**  
**Cambridge University**

LADIES AND GENTLEMEN: In 1933 it is more fashionable to say that democracy has failed than to discuss what democracy means. "Government of the

people by the people for the people"—any schoolboy can recite that wretched tag. And yet so great is the prevailing ignorance as to the meaning of democracy that nine men out of ten will tell you that during the past century you in the United States of America and we in Great Britain have lived under a democratic government—a fallacy so wild that it would be merely ridiculous if it were not the root evil of this evil generation.

The fact is that people have been too ready to assume that where you find parliamentary government, there also you find democracy. I can only describe this theory as a vulgar error. In this country we had parliamentary government six hundred years before we even gave every man a vote, and we still have not achieved democracy. If you cannot believe this statement all I would ask of you is to go to the writings of those men who created democracy. The charter of democracy is the French Declaration of the Rights of Man, issued in 1789; and to anyone who has read that document it is clear that democracy is not a method of government but an ideal of government. The real aim of democracy is to give to each man an equal power of making his voice heard in the government of the state. How is that ideal to be achieved?

There were some who imagined if they had a parliamentary system and gave to every man a vote they automatically created a democracy. What they forgot was that the vote is not all-powerful. Having given a man a vote, you must see that he has the power to use it freely. And if you wish to create this equality

of power which is the foundation of democracy you must sweep away all those means by which one man exercises undue influence over the will of his fellows. Equality of power necessarily implies equality of wealth. You cannot have a democracy in a society such as exists in Great Britain at this moment, where a comparatively small group of people controls the newspapers from which the majority obtain their political information before they vote, the factories from which they draw their daily sustenance, and the banks which regulate the investment of the surplus wealth which society has produced. It is upon the conflict and the compromise between these large interests that our livelihood, our government, our education, our hopes, fears and actions in society depend. And what is this but a dictatorship—a dictatorship which tries to be respectable behind a veil of pseudo-democracy—a dictatorship which no-one justifies? You tell me that democracy has failed. I shall reply that democracy has not ever been tried, because the essential implication of democracy is socialism.

And so I am pitting my socialism against your dictatorship.

Now dictatorship open and avowed as opposed to the miserable and deceitful variety which I have been discussing is the commonest political phenomenon of the twentieth century. You may see dictatorship either by a man, or a class, or a party, in Russia, in Germany, in Italy, in Japan.

Upon what grounds is dictatorship justified? If it lays claim to any reasoned political philosophy, I am

not aware of it. Generally speaking it is supported merely upon grounds of expediency; and amidst the contradictions and inconsistencies of its advocates I think I can distinguish two main arguments.

First, we are told that in the stage of progress which we have reached at this moment it is necessary to have the experts, the select few, in control of society. This argument is based upon an elementary confusion of ideas. What are in fact the relations between the expert and the layman—between the architect and the man who employs him? Surely it is the employed who settles the general scheme, who gives the order, who says what he wants. And so in society, it is the consumer of goods and services who has the right to say what those goods and services shall be, and the expert should be his servant.

And here I come to the second argument of the supporters of dictatorship: that the average citizen does not know what is good for him—that what he needs is a dictator to represent a national ideal and to see that the nation pursues it. This is the most insidious argument of all, and to this I shall make one reply—look at dictatorship in practice and see if it bears out this interesting theory. You will please observe that it is only when a man has his ideals dictated to him by a government which represents his better self that he becomes incapable of living peaceably with a fellow man of different nationality—a Frenchman, for instance, or a Russian, or a Jew. It is dictatorial governments representing the higher ideals of humanity which refuse international cooperation in disarmament,

which darken the sun with their fighting aeroplanes, or cover the Pacific with their fleets, which exploit the backward nations under the pretence of self-protection, which quarrel over the amount of money they shall be allowed to spend upon armaments whilst the poor of their nation are half-starved, which call for economic nationalism and drive down the standards of living among their people in order to achieve it.

Again, the Marxist philosophy breaks down in practice precisely because it refuses that universality which democracy demands. The solution proposed by Marx was the extinction of all who disagreed with him. And yet it is the greatest platitude of history that you can neither kill your political opponents or forcefully absorb them, because one enemy killed creates a dozen more, and the heretics of one generation are the heroes of the next. In Communist Russia the dictatorial party in power has met with the most successful opposition from the cultivators of the land—exactly the class whose opinions they have ignored and whose material welfare they have postponed to that of the industrial laborer.

The world of 1933 is a world discontented, impoverished, uncoordinated—a world in which the natural sciences have so far outstripped the social sciences, that man becomes every day more unsuited to his new industrial environment, a world which goes in growing fear of a second universal war. And when one sees the part which dictatorship, open or veiled, has played in producing this chaos, one realizes that he might as well prescribe a course of alcohol to a man suffering

from delirium tremens as tell the world that what it needs at this moment is dictatorship.

It is time that we tried a new expedient—an expedient which has never been tried before: and what I suggest is democracy, with its complement socialism. And if you repeat your contention that men are not intelligent enough to govern themselves I shall reply that they never have been allowed to try, and that such evidence as there is, is all upon my side. Between 1914-18 ten million men were intelligent enough to die for what they were told was political liberty. Is not such intelligence sufficient to discern the aims of good government, to define the province of the expert, to see the value of education, to teach men to live in peace without infringing each other's liberty? I think it is.

**First Negative, Will Rogers, Jr.  
Stanford University**

**LADIES AND GENTLEMEN:** If we could argue the two types of government and not the words that comprise their names, this would be a fair debate. But it is hard to defeat a good name; and democracy is the best title for a government, regardless of what that government may actually be. Everybody loves democracy, probably because we get so little of it. But suppose instead of the word democratic we used the word fantastic. Well, we wouldn't think nearly so much of it, and yet fantastic would be the better word. The gentlemen from England have just admitted that they couldn't get democracy, even after six hundred years

of trying. For democracy as it is practiced is not nearly so good as its title.

On the other hand, we are not setting up dictatorships as perfect states. We admit that there are bad dictators just as there are bad democrats. But the world today is in a jam; an economic and a political jam. And we are searching not for some vague, ultimate ideal, but rather for a type of government that can best prove our political salvation, now . . . today. We are not so much concerned with political philosophy as we are with political reality; and today it looks as if what the world needs is not only a good dictator, but a warden!

Conditions today have reached an impasse. And democracies, finding themselves unable to compete with this complex, modern, swiftly-moving world are crumbling under the strain. For, as conditions change, so must governments change. That which was best yesterday is not necessarily best today.

For the past three hundred years the trend has been all toward democracy. Starting perhaps in England and spreading to the United States, then to Europe and the rest of the world, the principle of democracy has infused itself. But since the war there has been a reaction; and in Italy, Germany, Austria, Russia, Poland, Turkey, we find dictatorships superseding democracies; and the trend in each country, whether it goes the whole way and becomes open dictatorship or not, is toward centralization of power in the executive.

Now there must be some reason for this. People do not willingly change governments overnight. Either

the existing machine is out-dated or else the new one, by its very good qualities, forces itself up for consideration. I don't mean to say that when prosperity is finally around the corner, and when God's in His Heaven, the sun is shining and all's well with the world, that democracies will not work. They did. For when everything is running fine you don't need leadership, the janitor can run the country. But when you find over-production staring you in the face; when you find crises arising every hour; when you see the international aspect changing every minute; then authority must be centralized into a single, compact unit in order to get the necessary speed and efficiency.

There are two fundamental difficulties with a democracy. In the first place, the people cannot agree upon what they want; and in the second place, they cannot express themselves quickly enough when they do know.

For example: France in 1925 was facing a crisis. The French franc was falling and falling. Now it had to be stabilized at some point; the question was, where and how? France was a democracy, and how did that democracy function? Well, the French people got up and had one premier for breakfast, another for lunch and a third for supper. In fifteen days France had twenty-one governments. The French people through their elected representatives could not agree. They did not know *what* they wanted. The French President finally had to appoint Poincare with extraordinary powers in order to stabilize the franc. Democratic methods had failed; dictatorial methods had succeeded.



Another example: The United States on March 4, 1933, was facing a crisis. Every bank in the country was closed. Economic life was paralyzed. The flow of business was at the lowest ebb in the history of the nation. Now the United States was a democracy, and how did *it* function? President Roosevelt assumed extraordinary powers—powers he had no legal right to take; and by what amounts to dictatorial decree he pulled us through our bank emergency. Granting that in case all of the people could agree what to do; they still did not have time to express their wishes. It would have taken too long to have held a popular vote; and just think what would have happened if President Roosevelt had turned the bank crisis over to the Senate. We'd have been years getting out! You gentlemen of England should know our Senate; if you had to live under it you'd favor a dictator all right!

And we could go on thus indefinitely. The examples cited resulted in but temporary dictatorships; but this has been done to show that no democracy is a true democracy; that in times of crises it becomes a dictatorship; for when action is demanded, a dictator arises. So this question comes up: Why not have a permanent dictatorship, and do away with this cumbersome, meddling, bureaucratic democracy?

Mussolini did it in Italy. He entered the country when it was flat. He took it, shook it, and made a nation out of it! Mustapha Kemal did the same thing in Turkey. He grabbed those Turks, took the fezes off 'em, took away half their wives, and set Turkey on

its feet. A dictatorship then can work; it has proved itself; it *is* efficient.

All nations have found that in time of political crisis, war, centralization of power was absolutely necessary. Today we are finding that in time of economic crisis, depression, a like unification of authority is equally essential.

Dictatorships, then, seem to us to be the system best fitted to bring the world out of its present jam, by arising phoenix-like on the ashes of democracy's failures. We have muddled through about as far as we can muddle; and we now need dictatorship, because it, and it alone, can move swiftly, efficiently, and effectively!

Second Affirmative, G. de Freitas  
Cambridge University

LADIES AND GENTLEMEN: Ever since the time of Moses, the first great modern dictator, even the temporary and relative success of a dictatorship has depended on the coincidence of a genius with national disaster and despair. In fact, dictatorship is so strongly national and so opportunist in character that at once it seems unlikely to be the basis of world political salvation, especially if we realize that for racial and geographical reasons America is perhaps the only country in which a dictatorship could exist without assuming an aggressive, nationalist form.

In Europe the most bellicose nations are ruled by dictators who must arouse a sense of false patriotism to maintain their political power, for under dictator-

ship, patriotism, which ought to be something fine and almost sacred is debased and used as a vulgar political weapon. Not only is this odious in itself but the obvious consequence is that it works against the true basis of political salvation—understanding between nations.

In a dictatorship the party or class flag becomes the national flag. And if true dictatorship is to exist, in theory there can be no political toleration, and in practice there is none. The state may disregard the ethics of toleration and look only to practical politics but disaster must follow, for criticism of the government can only show itself in armed force and change must come, not through democratic means, but through revolution.

Let us consider how the arguments on democracy run. It is criticised because of the failures of so-called democracies (always in fact dictatorships of big business, bureaucratic or military caste) in countries adopting forms of government too far ahead of the political education of the demos, the people, and forgetting that democratic government demands a democratic citizen.

Or else it is criticised as being too ideal. I think the honorable first speaker dealt thoroughly with that point and we have yet to hear that criticism of dictatorship.

I maintain that the faults which are supposed to exist in democracy arise from the failures of systems which have misunderstood democracy and misapplied its principles.

While the faults of dictatorship arise from its very essentials and must result, at home in a tradition of change of government by revolution and abroad in a

policy of selfish nationalism. For this reason above all, I can see no world salvation to which dictatorship can lead us. For the faults of dictatorship are inherent—at least the faults of democracy are not. Therefore, I have much pleasure in seconding the motion that, *The political salvation of the World lies in Democracy, rather than in Dictatorship.*

Second Negative, Richard Van Wagenen  
Stanford University

LADIES AND GENTLEMEN: You have heard my colleague say that under democracy neither do people know what they want, nor can they get what they want. I hold that under a dictatorship people also do not know what they want but they can get what they want. The people cannot make up their own minds, but when a leader—a clever dictator—begins to propagandize himself, he convinces the people that he is giving them what they want, and he wins support. Then he is ready to go ahead with a program. Look at Hitler's overwhelming confidence vote of last Sunday.

Mr. Cooke implies the idea that political equality will run a state if given a chance. But we cannot argue "ifs." What actually happens? Quite true, perhaps, that democracy works as long as things are going smoothly. The interested politicians can then run things to suit themselves, for the voter doesn't care. But let an emergency arise, and you will see our democratic debating societies in action—every forensic duel a non-decision affair, like our friendly engagement

tonight, with tongues clacking like motorboats, lips flapping in the hot breeze, and nothing ever coming of it all.

Mr. de Freitas has indirectly charged European dictators with most ungentlemanly tactics in their efforts to squelch the rights of men—free speech, and so on. Certainly; but is it ungentlemanly for a surgeon to hold down his patient by force while he operates? European dictators are trying to lance the sore finger of festering democracy, and it is no wonder they have to be harsh to the patient. Which would *you* rather give up—bread, which depends upon economic stability; or free speech, which is an ideal that has never in the history of the world been a reality anyway?

We have shown, in this debate, that democracies fail when it comes to a critical showdown; after all is said and done they do turn to the dictatorial way out; that, since the people neither know what they want, nor can get what they think they want, and since they can get what they think they want under a dictator, that the latter is our salvation.

It has been a rare opportunity and genuine fun to speak with you across a nation and an ocean today. I hope we shall meet in person some time in Utopia, and further hope that that Utopia will be one or both of our native lands.

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# THE ADVANTAGES OF HITLERISM

*An Intercollegiate Debate*



# THE ADVANTAGES OF HITLERISM

## EMORY UNIVERSITY AFFIRMATIVE VS. WESLEYAN COLLEGE NEGATIVE

A variation of the Dictatorship theme, and a relief from the much discussed Mussolini and Fascism subject, is the discussion of the policies of Hitler and their effect on Germany held between Emory University and Wesleyan College, both of Georgia, on Friday, April 27, 1934 at the Auditorium of Emory University.

The question was stated, *Resolved: That the policies of Hitler are for the best interests of the German people.*

Emory University men debaters upheld the Affirmative and Wesleyan College women debaters upheld the Negative. There was no decision.

The debate manuscript was contributed through the courtesy of Mr. Donald W. Smith, Manager of Debate at Emory University.

### First Affirmative, Herbert S. Clarke Emory University

LADIES AND GENTLEMEN: We are indeed happy to have the ladies from Wesleyan with us this evening. We only hope that they have enjoyed preparation for, and will enjoy presentation of this debate as much as we have, and shall.

Our subject for discussion this evening is, *Resolved: That the policies of Hitler are for the best interests of the German people.*

Before we can enter into a discussion of the relative

merits or demerits, (if there be any), of the policies of Hitler in Germany, we must first determine what we mean by "best interests of the German people." We of the Affirmative think, and we feel that you will agree with us, that the best interests of the German people, or any people, may be included in the following: Economic well-being, high morale, and national equality. In other words, they must have food, clothing, and shelter; they must have pride of ancestry and hope of posterity; and, finally, they must be able to realize that their nation is great—just as great as any other nation.

The Affirmative maintains, and will prove, that the policies of Adolf Hitler are not only for the best interests of the German people, but that no other man, party, or combination of the two, could have pulled Germany out of a rut of devastation and chaos, onto a plane of high morale, personal security, and confidence in the future of the German people.

Ladies and Gentlemen, the reason this question is being debated this evening grows out of a false public opinion against Hitler and his policies which has been intentionally created through the use of propaganda, that jargon which destroys truth.

It, therefore, becomes our duty to penetrate this maze of misconception and arrive at a true picture of Hitler's policies and their effect upon the German people.

Let us first delve into recent history so that we may get a true picture of the stage as it was set when Hitler took the reins.

At the close of the World War, Germany was in a condition of social, economic, and political chaos. Many petty parties grew up with varied and incessantly changing policies. Basically, the majority of these bickering little groups were socialist or communist. Each managed to ascend to power at one time or another. Consequently, during a period of fourteen years, from 1918 to 1932, Germany had twenty-seven chancellors—each seeking selfish personal gain and advancement of his party. That is an average of almost two chancellors per year. Contrast this situation with a normal period of German history. From the time of Bismarck to the year 1918, a period of fifty years, Germany had eight chancellors. Imagine England with two prime ministers per year, or the United States with two presidents per year. Disorganization and dissociation was inevitable. Concerted action, and coherent execution of policies were impossibilities.

Consequently, from the period 1918 to 1932 many stupid laws, which remained on the books, had been passed by first this, and then that, party. I shall present a few of these laws in order that you may more clearly see the distracted state of affairs in Germany.

The socialist system of social insurance, put into effect in 1918, had great prospects, but it soon became inefficient and unequal in distribution. Many who never searched for jobs were living off of the unemployment insurance system.

Many people were on pensions, receiving from the Government forty-eight thousand marks per year, when

they had never actually been in civil service. This condition was possible through the use of a stupid law which made citizens eligible for a pension of forty-eight thousand marks per year through one day of service for the government.

In order to support their unemployment insurance obligations, a tax of twenty-five per cent had been placed on all property. The poorer farm and land owners could not pay this crushing tax, so their property was mortgaged at eight per cent. The depression lowered the values of everything produced on this land. Interest on mortgages could not be met, so the bankers took over the property.

The department store in Germany is a much more vital channel of distribution than is the American department store. There is one in every town, no matter how small. During the period from 1925 to 1930 a monopoly was effected, including most all of these stores. Competition was eliminated. Prices were placed anywhere—usually sky high. Greater quantities were purchased at cheaper prices, of course. Yet higher prices were charged. Individual enterprise was impossible. The income of the German people was being sapped.

Two per cent of the population controlled well over one-fifth of the factors of production and distribution. The German people were being strangled by this two per cent.

Unemployment figures grew from five hundred thousand in 1924 to eight and one-half million in 1932. Four out of every ten workers were out of employ-

ment. The unemployment insurance system collapsed, of course. Girls were being employed more and more. In 1913 no girls were employed in industry. In 1932 there were one and one-half million girls in industry, receiving starvation wages.

It is regrettable that my time does not permit me to present more facts regarding the sad plight in which Hitler found Germany.

Still peering through the cloud of misconception which is hovering over your true vision in regard to this matter, let us now see what Hitler has done to alleviate the down-trodden condition of the German people. Suppose we now examine the policies of Adolf Hitler.

Hitler has founded the elastic mortgage system which makes possible the payment of mortgage interests in times of depression. In 1932 when he put this into effect an eight thousand dollar mortgage was reduced to one thousand two hundred dollars. When prices drop, debts drop under Hitler's policy.

By exercise of a sales tax graduated according to volume of sales, he has abolished the department and grocery store monopolies. As a result, two hundred thousand individuals have been given the opportunity of opening up their own shops, and earning a livelihood.

Eight hundred and twenty thousand girls have gone out of industry to get married. A German girl gets one thousand marks, if she wants to get married. Every mother receives fifty marks to buy a baby carriage. In both cases payment is made in bonds. These bonds are accepted as payment on the store-keeper's income tax.

Hitler has established what he terms the "Existence Minimum." It is, in essence, a minimum wage level of eighty dollars per month. Such stores as the F. W. Woolworth & Company operate, which pay their clerks the equivalent of five dollars per week, have been forced to close as a result of this beneficial measure. Starvation wages are impossible in Germany, at present.

He has created a state bank which finances everything without charging any interest. Hitler insists that the state exists to serve the people, not to bleed every penny from them and give nothing in return.

Through the graduated income tax, large fortunes and resulting exploitation is now impossible in Germany. An income of five hundred thousand dollars per year is taxed eighty per cent. An income of two hundred thousand dollars is taxed seventy per cent. An income of one hundred thousand dollars is taxed sixty per cent. And so on down the scale of wages. A family of husband, wife and as many as eight children is exempt from the income tax.

Herr Hitler has created new farms, and has disintegrated the enormous unclean worker villages which have been so numerous in Germany. Under this plan he grants three acres of land, a house with gas, electricity, and water for ten dollars per month—the actual cost of maintenance. Along with this grant is given a guarantee stipulating that the state will purchase all the farm products raised on that land.

In nine months, through the exercise of his policies, he decreased unemployment from eight and one-half



million to two and one-half million. He promises to have no unemployment figure by Christmas of 1934.

He has created Government camps similar to our C.C.C. camps. These men construct farm houses, repair old houses, work in every field for the Government. And these men are paid good wages.

Ladies and Gentlemen, Hitler was faced with a destitute Germany. He was faced with a brow-beaten and down-trodden people, his people, the people he loved. He was faced with a Germany which had been dragged through the mire of crooked politics, and false leadership. He has answered her pleading call as no one else could have done. Through his policies Germany's heart is once again pulsating. Her people are getting a "square deal" for a change. Their faces are being lifted up and turned toward the future—a future which promises happiness, peace, and prosperity. The longings from the depths of the man's heart have been transmitted to his undertakings. Germany is forging ahead!

First Negative, Charlotte Tyus  
Wesleyan College

LADIES AND GENTLEMEN: We, of the Negative, solemnly declare that the National Socialist Government with Hitler as its leader has turned its face against historic progress and the positive blessings and achievements of modern civilization. It has shown itself by doctrine and practice to be the avowed enemy of those methods of peace and freedom by which the march of the German people has been enabled.

We declare that the Hitler Government is compelling the German people to turn back from civilization to an antiquated and barbarous despotism which menaces the progress of mankind toward peace and freedom.

To the great mass of the German people, who are thus being made the victims of a regression so tragic and terrible, we express our deep sympathy and friendship.

We admire the resolution, the good sense, and the endurance with which the German people at the end of the War undertook further to advance civilization by means of the free government and the free institution of the German Republic, which Hitlerism has with ruthless malice destroyed. When the Hitler *coup d'état* destroyed freedom and justice in Germany and began to undermine German civilization, the German nation was well advanced toward equality and freedom in the family of nations.

In 1918, Woodrow Wilson, President of the United States, called attention to the distinction between the German people and the German Government—how the Government had coerced the people into conduct contrary to their traditions and standards and opposed to their essential desires.

Today, it has once again become the solemn duty of the enlightened opinion of mankind to call attention to the difference between the German people and the German Government. Once again the people are being terrorized by a privileged minority more ruthless, more arbitrary, more hypocritical, and more ignorant than

any in German history, into policies and conduct at home and abroad contrary to every conception of equity and harmony in human life.

The fact is that refugees, Gentile and Jewish, rich and poor, men, women, and children have been pouring out of Germany like a flood ever since Hitler came into power. This fact speaks for itself. Citizens do not run away from their native land except under conditions of terror and despair.

Richard Neuberger, who recently returned from Germany, tells many stories of the crimes performed under Hitlerism.

"A lawyer dared to say in public that the people should run the government. While he was away on a brief trip to plead a case, Nazis entered his home and sold at auction all his possessions, his law library, his files, valuable art treasures, his furniture. He and his son protested; the latter was fatally wounded and the father had to flee to avoid arrest."

"In a ramshackle house near the outskirts of a hamlet I met a distraught old woman. Two nights, before, a troop of brown shirted Hitlerites had taken away her two sons, partly because they were Jews and partly because their political affiliations had been with the Social Democrats. 'Say goodbye to your mother, you may never see her again,' ordered the Nazi leader. For forty-eight hours she had waited for word of her sons. They were her only kin. She had spent all of a small life insurance educating one for law, the other for medicine.

"The next day the two young men whose crimes had

been their race and their belief in a government for the majority of the people, were sent home in plain board coffins. The Nazis asserted that the boys had died of tuberculosis, though neither had been ill when taken from his home. Their mother was compelled to sign a paper agreeing not to open the coffins.

"However, there was a young doctor who said that he would open the coffins if I would help him to escape from Germany. I promised and today he is somewhere in France. That night he opened the boxes. Every major bone in both bodies was broken. The flesh was terribly lacerated; the boys had suffered horribly before they died.

"For the offense of eulogizing the two dead boys, the rabbi was beaten at the local Nazi headquarters, and the local newspaper, a mere bulletin, which printed some of his words, was suppressed for three months."

Philip Bernstein tells similar stories, and then he says, "Still the government denies that violence occurs."

John Haynes Holmes, in speaking of the crimes, says, "Personal contacts with refugees! I have met and talked with a certain number of refugees from Germany, and have heard directly or indirectly from many more. I never believed the old 'atrocities stories,' because I never saw them. I have refused to believe the worst of the anti-bolshevik yarns because I have yet to see them. But I have seen with my own eyes and touched with my own hands some victims of Hitler's troopers, and I believe even as Thomas believed when he touched the wounds of Christ."

Hitler has chalked up plenty of blunders during his time. Nowhere have his blunders been on so grandiose a scale as in the field of foreign affairs. Prussian heavy-handedness in the business of diplomacy never had a better exponent. The end of the first year of the Hitler regime finds Germany encircled by hostility and suspicion on every frontier. Such hostility encountered in other nations is certainly not to the best interests of the German people.

That Hitler's foreign policy is deepening the European political crisis and leading the world to the verge of another war is becoming daily more apparent.

On October 18, 1933, four days after Hitler had led Germany out of the League of Nations and the Disarmament Conference, Hitler proclaimed: "Germany wants nothing but peace."

His every act since that time, as well as his previous utterances show that his statement was false. In his book, "*Mein Kampf*," ("*My Battle*") he said:

"It is necessary, then, for better or worse, to resort to war if one wishes seriously to arrive at pacifism. In reality, the humanitarian and passive idea will perhaps be excellent on that day when the man superior to all others will have conquered and subjugated the world first of all in such a measure that he becomes the sole master of this earth. First, then, the battle and afterwards—perhaps—pacifism."

The Nazi German glorifies war—in films, in plays, in books, in toys, and above all, in the new school histories—as it has probably never before been glorified in any land. The Nazi leaders preach incessantly the

more heroic doctrine of a war between whole peoples. Their talk was set for them years ago by Hitler who said:

"The question of a restoration of German power is not a question of how to fabricate arms but a question of how to create the spirit that makes a people capable of bearing arms."

Adolph Hitler has not remade the face of Europe. No, not yet. But he has increased the blood pressure of most of Europe's politicians. The frontiers of the continent are as they were before the Nazis came into power. But the climate has changed. A year ago there were people over there optimistic enough to ask whether there would be another European war. Today the question is no longer whether, but *when*. The event is generally accepted. Only the date remains to be fixed. War is likely to come as soon as Germany, with the consent of the Powers, or without it, is ready to fight.

Hitler was probably swept into power because he had promised the establishment of a middle class social order. He has betrayed the expectation of his followers and has played into the hands of big business. It may be that in making the accommodations with big business that he has felt it necessary to make at this stage, he has actually planted the seeds for a later internal explosion within the Nazi ranks that will bring about his ruin.

Of Hitler's personal character Philip Bernstein says, "A new dictator has arisen who is not honest. I did

not know this until I visited Germany during the summer. I learned that he and his Nazi government are not honorable or trustworthy."

The rise of the German dictatory has, in fact, been achieved by deliberate falsification and cheating, by false promises never meant to be kept, by a Machiavellian policy of lying and roguery which makes it impossible for any unbiased person to accept any statement or pledge of Hitler's as of any worth whatever.

Hitlerism menaces all that is humane and civilized. His regime is a direct attack on the progress of the race and the advancement of society. In essence, it is mediævalism, rendered even more cruel through the employment of the implements of civilization. What has outraged world opinion in the case of Hitler is the undeniable evidence of a reversion of a great people under Nazi rule to conditions and standards of barbarism from which we thought mankind had long since been delivered. Public opinion would be recreant to its trust if it did not revolt against these potent signs of savagery. Civilization has no security, mankind no hope, so long as the Nazis hold their power.

Citizenship granted since the war may be revoked. Emigres, even German-born, may have their citizenship canceled and their property confiscated. The prohibition of the formation of new political parties was scarcely necessary, but the provision that relatives of opponents of Hitlerism may be penalized if the culprits themselves are out of reach is a return to a system of law that was generally supposed to have been abandoned some centuries ago.

The German Trade Union movement had been the backbone of the Weimar Constitution and the German Republic. It was the organized labor movement that assumed political responsibility for an effort to establish democratic institutions and to put into effect standards of human welfare. Because the German Federation of Labor was one of the main bulwarks of the German Republic, the Nazi movement seized control of its representatives, its funds, and its agencies of communication in its plan to turn the government into dictatorship.

No government that maintains itself by brute force and the machine gun can be said to be governing to the best interests of the governed.

Force and fear are the distinctive attributes of the state which Hitler has created. In such a government fundamental political, social, and economic principles, find neither room nor occasion for expression.

As if awakening from a terrible nightmare the masses are now gradually beginning to realize what a disaster has overtaken them; and their consternation is making way for indignation and hatred. Under the calm and reserved exterior this burning indignation and the will to fight for liberation are already being formed. And when the thunder cloud bursts, terrible things will happen in comparison with which the events of November, 1918, will seem like child's play.

Economically the masses of the German people have been delivered into the hands of big business. Politically and spiritually they are still at the mercy of Hitler



and his mad subordinates. Until Hitler and his ideas are driven out, what hope can there be for the German people?

Second Affirmative, William R. Perdue, Jr.  
Emory University

LADIES AND GENTLEMEN: Let me say in introduction that we welcome the representatives of our sister Methodist institution and hope that their stay on our campus will be an enjoyable one.

One of the charming members of the opposition greeted me this evening with the salutation, "You Nazi man!" But my colleague and I consider that no term of opprobrium, for we believe that the policies of Adolph Hitler are to the best interests of the German people. Now by that we mean that his policies are for the good of the *German people*—that is, the great body of the inhabitants of Germany. That certain of his policies may have been inimical to a small minority of non-German people who had usurped the control of German life from the Germans we do not deny—but we are debating tonight the interests of the German people, not the interests of the dominant minority nor the interests of the other nations of the world.

Hence, the accusations of violence that the fair young lady of the Negative has cast with so much ability and grace are irrelevant to this question unless they are shown to bear directly an inimical relation to the welfare of the great body of the German people. Likewise the warlike aspirations of Hitler, if there be such, must bear a direct effect to the detriment of the

German people. And we do not believe that the Negative has as yet shown such a relation to exist. Violence in minor cases exists in every country including our own where it is very carefully kept quiet; it is only when violence becomes clear and inimical oppression that it is against the best interests of a people—and such has not been shown to be true in Germany.

Now my colleague has shown you that the economic policies of Hitler are working for the economic rehabilitation of the German people. But there are still further ways in which the policies of Hitler are raising the German people. Surely the national morale of a people is one of its chief interests. A people that feels proud of its past heritage and of its present position in the world and that faces its problems both courageously and hopefully is certainly superior to a discouraged, apathetic people.

The German people before the advent of Hitler to power were in a state of almost complete apathy and hopelessness. The burden of reparation payments, the crushing effect of the depression in Germany, the consciousness of the unfairness of the Versailles treaty and the minor status of Germany as a nation combined to produce a state of almost utter apathy. Calvin B. Hoover, one of the most reliable of contemporary observers of Germany, stated in 1933, "There has developed a hopeless apathy which certainly reflects a decline in the morale of the working population." One basic cause of this was the realization of the fact that the productive capacity of Germany was great enough to provide the material means of life for everyone if

only that capacity were utilized. The feeling of inferiority in international status was another basic factor.

One of Hitler's greatest contributions has been his rejuvenation of the German morale. A new spirit of hope and confidence and courage now characterizes the German people. This is the result of several factors. First, Hitler's domestic economic policies have convinced the German people that at last they have a policy of action which will rehabilitate the German economic system. But more effective in this restoration has been the vigor with which he has fostered the interests of the German nation as such. Now we do not necessarily mean that nationalism is the best policy for the maintenance of world peace; but we are not debating that question. The fact is that we live now in a world where nationalism holds sway and where national morale depends on a feeling of pride in national accomplishment and an equality with all other nations. Because Adolph Hitler has asserted and maintained the right of Germany to consideration in the affairs of the world, he has restored the confidence of the German people in their possibilities and their future—and that is certainly to the best interests of the German people.

In the maintenance of a vigorous foreign policy Hitler has not only restored German morale but he has made Germany once more a force in world affairs. The Versailles treaty left Germany a second-rate power. The policy of the governments that preceded Hitler was to attempt to get concessions from the severe pro-

visions of the treaty by fulfilling its requirements and appealing to the sense of justice of the victorious nations—a policy that was totally unsuccessful, for Germany had gained practically no modification of the treaty.

Hitler, realizing the inefficacy of such a policy, resorted to more vigorous measures to offset the unscrupulous methods of the other nations opposed to any restoration of Germany. His condemnation of the Versailles treaty, his assertion of Germany's right to rearm, and his vigorous foreign policy in general has raised Germany from the condition of helplessness in international affairs which characterized her foreign policy since the war.

This new policy of vigor and action in diplomacy has not only raised Germany from a catspaw to a respected force in European affairs, but it has given to the German people a feeling of national equality, of confidence that their nation is equal to all others which has restored their morale and their national pride. If such a policy leads to war it will be because of the system of nationalism in Europe and the vindictiveness of European nations and not because of the policies of Hitler. And if war is inevitable, Hitler's policies will make Germany prepared to take her part as a respected and powerful nation rather than a mere catspaw of contending forces. If, on the other hand, peace is maintained, Germany will still be a respected nation and the German people will have confidence in their land and pride in their nationality.

In all these positive ways Hitler has furthered the

interests of the German people. But in still another particular the regime of Hitler has furthered their interests by protecting them from a worse system than they were under. The system of parliamentary government under which Germany was functioning until the advent of Hitler could not long have continued in power. The German people did not face a choice between Hitler and the incumbent system—they faced a choice between Hitler and communism. The ineptitude of the government in facing the economic problem that confronted Germany was leading to a rapid growth of the communists in Germany.

The growth of the communist vote is a barometer of the growing communist sentiment in Germany. From a paltry two million votes in the election of 1925 the party vote jumped to four and a half million in 1930 and to six million in 1932. By November 1932, the communists held a hundred seats in the Reichstag. By 1933, they had gained control of Berlin, the leading and dominant city of Germany. Since there are always many of communistic sentiments who do not vote either through fear or lack of confidence in the efficacy of such methods, it is evident that the communists represented a large and active minority and an imminent majority in the German state. The fact that a communist regime would not have had the sympathy or support of the great mass of the German people does not change the fact that in the economic unrest the communists were rapidly attaining to a position of dominance and that their progress was checked only by the rise of Hitler to power.

We are not concerned in this discussion with the intrinsic merits or demerits of communism. We simply believe that communism is repugnant to the German character and to the best interests of the German people. The advent of communism in Germany would have ringed her around with a completely hostile set of nations, fearful of the influence on their own domestic institutions. Furthermore, a shift to communism would have completely deranged Germany's already badly disordered economic structure both domestic and international. Instead of strengthening her international standing, it would have weakened her still more. The rehabilitation of her export trade and the restoration of the German morale would have been impossible both because of foreign hostility and internal dissension. Finally, we of the Affirmative believe that communism is contrary to the German respect and desire for private property, for security and economic well-being individually.

Hitler saved Germany from the conquest of communism, with all its consequences. To another country communism might have been preferable. But to Germany we believe that it would have been nothing less than a catastrophe. And Adolph Hitler by saving Germany from such a change served the best interests of the German people.

So it is that even if Hitlerism held in itself no features of value to the German people, it still would be to the best interests of the German people. But we have seen that there are intrinsic values in the Hitler rule which redound to the advantage of the German people

and the German nation. His economic policies are bringing a fuller and better material life to the mass of the German people. His national policies have restored the spirit of the German and his international policies have restored to Germany an important place in the councils of Europe. Germany is well on her way to a resumption of the place to which the ability of her people and the glorious history of German civilization entitle her.

The German people desire security more than the outward pretense of liberty. They have been dominated by a minority and by a vindictive Europe for more than a decade. They have been degraded internationally and sorely tried in their domestic affairs. But there is evolving a new democracy in Germany which abandons the outward show of democratic institutions but retains the democratic ideal of the greatest good for the greatest number. It is not concerned with the vested rights of dominant minorities nor is it intended to retain the selfish interests of a class or an oligarchy. The advancement of the interests of the whole German people is its purpose and insofar as its program succeeds it advances the interests of the German nation. The world may well watch with interest the experiment in a new Germany.

Second Negative, Helen Smart  
Wesleyan College

LADIES AND GENTLEMEN: In speaking to you tonight on this question, I am speaking in behalf of a great

many German people. I am for the best interests of German women, professors, educators, scientists, research workers, physicists, and doctors. I am pleading for the rights of artists, musicians, writers, journalists—all interested in culture and the general development of knowledge and refinement. Against this great regiment of people has Hitler cruelly sinned. What are we to think of a government and a leader which drives scholars and artists into exile, raids libraries and burns books in the public square, reduces world famous universities to the status of military academies, reduces workers to a new serfdom, wrecks the most enlightened labor legislation of modern times, subjects women to ancient levels of sex inferiority, persecutes Jews with fierce ferocity, and revives a race myth which is the religion of the horde?

It is of the women that I would speak first in an attempt to show you how they have been wronged. Women in the new Germany must not only not be heard—they should not even be seen. Hitler refused to address the Women's Nazi Organization at the great party rally last year. Almost the only Nazi leader who condescends to address the women is the propaganda minister, Goebbels. Under the Nazi regime, the Aryan women suffer as well as the Jewish women, the peasants as well as the emancipated career-carvers. All girls endure discrimination. All mothers face the loss of their children who may be snatched from them any waking hour by brown drill masters who prepare them for war. Fascism is the enemy not only of the feminist but of the mother. Listen to the statement of Min-



ister Goebbels. "We Nazis have put women out of public life," he boasts. "Nature fits women for life behind house walls, not in the open." In other words, Hitler has undone in a single year the achievements of a decade of republican Germany. He has rendered valueless the vote Social Democracy gave women in 1919. He has made useless the legislatures to which they were just being admitted. He is pushing them from the professions to which they had just won entry, from the universities whose barriers they had just begun to climb. Miriam Beard, a well-known American writer, has recently made a tour of Germany. Here is what she says. "All girls are discriminated against in the schools. Less learning, more gas mask drills is the parole of Hitler obeyed by the educators. Girls are forced to endurance marches, at a good stiff Storm Trooper's pace for three hours with only one standing pause of three minutes." That is Hitler's method with women—eternal marching, but no advance.

Now let us consider the general culture and intellect of the German people. The individual attacks of scientists, historians, and so on, bulk large in newspapers outside of Germany, but though these are deplorable they are not so serious for Germany as is the revolution Hitler is bringing about in German intellectual life, education, literature, the stage, art, music, and the public press. Germany is giving notice that from now on intellectualism is to be discouraged, and is to play only a minor role. Education for the lad culminates in a year of military service. "For," Hitler says, "if anyone should ask to what the German people owe the

greatest debt, the answer is to the army." So he refuses to allow them to become educated or intelligent.

The price intellectual Germany is paying for the Nazi regime is illustrated anew by the recent news that the Warburg library is being moved from Hamburg to the United States or London. This is one of the finest collections in the world pertaining to the history of art and religion, but the Warburgs are Jews, so the German people must suffer through the loss of the library.

But to turn more specifically to colleges and universities—what of them? The German tradition of freedom in education is best illustrated in the constitution of 1919 where it is stated that art, science and instruction are free, to be promoted and protected by the state. Hitler, in overthrowing the German Republic, has repudiated this doctrine, and has placed matters of narrow nationalism, race prejudice, and political belief above the former educational ideals of the country. In the reorganization of the universities under Hitler, the government has taken direct charge by appointing the rectors for an indefinite period of time. These rectors are agents of the state, and if not members of the Nazi party, are at least sympathetic with it. Professors not in sympathy with the Nazi regime are forced to give up their positions or to conform to the official Hitler doctrine. Let me quote Chancellor Harry Woodburn Chase of New York University in regard to this. "When men of learning must pay the price of teaching pseudo-science, distortions of history, surrender the right to differ on social and economic questions, watch their every utterance lest it give offense,

then universities in spirit have ceased to exist, and have become instruments of propaganda."

Scholars and teachers reliably estimated at fifteen hundred have been dismissed, and among these are some of the brightest lights of German scholarship. Five Noebel prize winners have been dismissed or are in exile. Alice Hamilton, who recently made a three months' tour of Germany, has written an article in *Harper's* in which she quotes a German professor as saying, "No research work is now possible in German Universities. For research one needs quiet, security, opportunity for concentration—none of which we have. Even lecturing is difficult, for a man cannot give his best to his class when he is in constant fear that some Nazi student may rise and accuse him of un-German ideas, as a result of which the rector would say that his resignation was necessary."

It is with such an attitude, frankly revealed and already amazingly destructive, that Hitlerism strikes through education a major blow at the buttresses of civilization, not only for the present, but for the long future.

This picture of German schools is tragic enough. The Government promises intellectual freedom and opportunity for research, and in the same breath insists upon uniformity of teaching—even of thought. What hope is there for future generations under such conditions? Research cannot live in an atmosphere of tradition. One concrete and disastrous measure that the Hitler government has recently adopted against scientific inquiry is the prohibition of animal

experimentation. This means that all advance in the fundamental branches of normal and diseased matter must cease in Germany.

The educator is not alone in his plight. Physicians are told that they must cease to be individuals, and must cease to treat their patients as individuals. Fryer, in a recent article to German physicians, says that the autonomy of all fields of learning has been suspended, and from now on everything must be political.

As for literary aspirants, their situation in Germany is intolerable. The writing profession now has a ring in the nose. Either you wear it and jump when the Nazis jerk, or you don't write. If you try to anyway you wake up in a concentration camp or the hereafter—it doesn't much matter which. Listen to Dr. Stanley High, editor of the *Literary Digest*. "People still turn out books in Germany and produce magazines. Something which sells for the same price as a newspaper eventually gets to the streets, but it is no more like a newspaper than a pre-depression bank statement, and not even as reliable. The same goes for the whole field of writing. Great writing before Hitler has come from the spirits of men. Henceforth, it must come from their spleens."

In conclusion, let us consider the German churches. How have they suffered at the hands of this dictator? The efforts of the Nazi regime to subjugate the religious and intellectual beliefs of the people have received their most effective resistance from the churches. The great Catholic church has preserved its independence and loyalty to its traditions by refusing to worship

at the Hitler shrine, and as a result the Catholic press has been rigidly censored and discriminated against by the Nazi state. The Protestant churches have become mere cogs in a political machine, and are forced to teach the principles of Hitler as if they were the precepts of religion. Never has the philosophy against which Jesus set his life displayed more perfectly its utter falsity than in the return of Germany to a bayonet-brandishing dictator.

Michael Williams, president of the Calvert Association, speaking in behalf of the Catholic churches, says, "My deliberate opinion is that the Catholic religion in Germany is threatened with a most serious danger of being crushed out of existence by the power of a state controlled religion of paganism which is the most potent factor in the Hitler movement, and which is opposed to the spirit and practice of Christianity. Moreover, Catholics in Germany have been and are now being subjected to ruthless persecution. That they may win their battle against Hitler must be the hope of all defenders of civilization against this new barbarism called Hitlerism. There are, I believe, millions of Germans who will be with the church in its struggle—German Protestants, Jews, and Catholics who love their country too well to let it pass beyond redemption into the lasting possession of the pagan dictatorship now in control."

We note, too, that the Christian churches are involved. It is startling to read of pastors and officers of the church who have been deprived of their posts and forced to become outcasts simply because they are of

Jewish birth or descent. In the discrimination against and the persecution of the Jews, we must not be so short-sighted as to conclude that no other race is affected. In the language of Lowell, "In the gain or loss of one race, all have equal claim."

Reinhold Neibugher, in speaking of this situation, says, "The church conflict seems to me to be a case of honest Christians trying to save the church from political enthusiasts who would subordinate it completely to the state." The Nazi party would reform religion. One powerful Hitler authority says, "crucifixes must be removed from the churches because they represent the cause of an alien people." Also the Nazi Christian Leader states that the Old Testament must be cut out of the Bible, and part of the New Testament. The holy places of Palestine must no longer be visited, but instead those of Germany. A well-known Barthian, Hans Amussen, speaking of the German churches says, "A church which becomes the means of propaganda is no longer the home of Christians."

Hitler has struck at the freedom of worship by attacking Protestantism and Catholicism, setting up over them a state controlled religion. He has, in a spirit of nationalistic egoism, outlawed the brotherhood of man, proclaiming those of his race alone the children of a common father. Recognizing that the attributes of the God mankind recognizes are too catholic and comprehensive to fit his narrow category, he creates his own god fashioned in the hideous image of Hitlerism.

Just one good thing may be said of Hitlerism—it is the last possible stage of reaction. It is the last strong-

hold of the state under privileged classes. It is my faith that it cannot long endure, and we of the Negative firmly believe that the German people under a new form of government will soon restore for themselves and their children opportunities for life, liberty, and happiness, and may thus take their place as a free and equal member in the family of nations. Until that day, Hitlerism stands convicted, through its own acts, of a crime against Germany, and against all civilization.

First Negative Rebuttal, Charlotte Tyus  
Wesleyan College

LADIES AND GENTLEMEN: Mr. Clark goes into detail in his speech as to how much money the German government is now spending to bring about recovery in Germany. May I quote a recent editorial as to one way Hitler is spending money? "The Hitler government has decided to increase its military expenditures this year by approximately one hundred forty-two million eight hundred thousand dollars, as compared to last year."

Is that the way to bring about recovery? To build up a spirit of war? War—that inevitably brings about ruin?

Our worthy opponents maintain that Hitler has developed a spirit among the German people which was not present before he came into power. He has brought about a spirit, but it is not one of encouragement as the Affirmative would have you believe. In February of this year Reich leaders of the manifold Nazi organiza-

tions stepped forward and joined with thousands of sub-leaders assembled in repeating the following oath: "I swear unshakeable fidelity to Adolph Hitler, and unquestioning obedience to him and the leaders designated for me by him."

An editorial in the *Macon Telegraph* says, "It baffles human comprehension to understand how Adolf Hitler with his shallow oratory and his trick mustache, could so far bewitch every officer of practically every military and civic organization in Germany to take an oath of allegiance to him so abject and complete, as we are told."

The last vestige of German liberty has now been destroyed. There is no public opinion except that which Hitler formulates for those who used to think.

Mr. Clark speaks of our remarks about war, about Hitler's preparation for war. At the present time the other powers are doing all within their power to bring about a world wide peace. The League of Nations, the Disarmament Conference, all these are organizations for peace. One of the first things Hitler did was to take Germany out of them.

The Affirmative argues that the Germans are so patriotic that they are doing everything to help the German nation. However, you are not less patriotic to your country by being internationally minded. And that is one adjective that one can certainly not attribute to Hitler.

Richard Neuberger tells the following story as to the fact that Hitler does expect to lead the German people into war sooner or later:



"One afternoon on the train between Frankfort and Munich I overheard a high officer in the Reichswehr talking to a friend. 'Yes, we're fooling the French and Poles all right. We're only supposed to have one hundred thousand men under arms according to the treaty, but we're training two hundred fifty thousand new ones every three months.' "

My opponents argue that Hitler and his associates are well equipped to guide the German people. The fact is that the Hitler regime is not particularly astute, and it is especially ignorant in foreign affairs. To begin with, it is almost impossible to exaggerate the naivete of the Nazis in the field of foreign affairs. "The actual work of the foreign office is being done by a group of Nazis, who talk and act as if they had never heard of such a thing as foreign relations before last March. These men fired with the desire to bring off a coup that will redound to Nazi glory, talk with the utmost calmness of what they must and will do, without any apparent recognition of the tragic consequences that would inevitably follow an attempt to precipitate a crisis." These are the words of Paul Hutchinson.

The Affirmative argues that all the discussion that is going on now about Hitler is due to false propaganda. However, there must be something wrong, or so many people in the world would not be aroused by conditions there. At all events the other nations are becoming excited and suspicious. Is that to the best interests of the German people?

Mr. Perdue says that the Germans lost their nerve before Hitler came into power but that that is all re-

stored now. Hear what Shepard Stone, who received a doctorate from the University of Berlin, says in that connection:

"Instruction must be reshaped to conform with Adolf Hitler's feelings, and no one dares give currency to the notion that democracy or parliamentary forms of government have any justification."

The Affirmative says that when Hitler came into power, he had no definite plans to win the approval of the people. However, Hitler appeals to the emotions of the masses rather than to reason; he is a genuine demagogue who knows how to play upon simple primitive impulses for the purpose of uniting the masses. The youth of Germany was captured by the magic of Hitler's oratory, Lewellys F. Barker says.

My opponents declare that the Hitler government has raised the moral of the German people. I quote Samuel Seabury, "This view (lack of freedom) makes of the state an instrumentality of oppression which kills the power to formulate ideals for the future and lifts a sordid materialism into the seat of power, creates an antagonism between law and justice, divorces the government from any connection in self-government, and so paralyzes human endeavors as to render them incapable of giving expression to those qualities which, under free conditions, are among the glories of humanity."

Roger N. Baldwin, director, American Civil Liberties Union says: "Unlike the dictatorship of Soviet Russia they offer no economic freedom to the masses, no abolition of exploiting classes; no freedom for racial minori-

ties; no larger education for youth; no progress to greater liberties. Despite their pretension to Socialism, National Socialism is a program of stagnation by force."

The Affirmative says that Germany is unified and uplifted. But unified for what? Uplifted in what way? During the war nations were in a sense unified and uplifted, but it is this kind of unification and uplifting that civilization condemns. What good can all this economic planning in Germany bring if it is only a step to another war?

And, so, we of the Negative maintain that Hitler's policies are not to the best interests of the German people—but more nearly to the best interests of Hitler.

**First Affirmative Rebuttal, Herbert S. Clarke  
Emory University**

LADIES AND GENTLEMEN: It seems to me that I detected an old debating trick in the constructive speeches of the charming creatures to my left. They engaged in a process of vague generalities, giving us very little on which to base a rebuttal. I have seen that tactic employed many times, and will endeavor to glean some assertions from this presentation which are submissable of refutation.

It had been my desire to exclude the Hitler anti-semitic policy from the debate entirely, but since my opponents have touched upon it with a few falsities which I would not want you to retain, I shall have to say a few things concerning this phase of the question.

To again delve into history—there were many Jews who thought Germany would win the World War, so they immigrated into Germany in 1914 from France, Italy, Russia, Belgium, and a few other countries on the continent. They managed to enter industry or business, as this type of Jew seems to have a “knack” of doing, and were quite prosperous. When the war was over, they started back home with the pile they had reaped. They found that this could not be done because anyone coming from Germany would be thrust into jail. So they wrote home for their families, and thus settled in Germany. This type of Jew, naturally, would not take out German citizenship. He paid no income tax—took interest in nothing, but his own pecuniary advancement. This is the type of Jew which is detrimental to any country. And, Ladies and Gentlemen, this is the only Jew who is expelled from Germany. The anti-semitic law applies only to those Jews who had entered Germany after August 2, 1914, and who had not yet become German citizens.

These are the two per cent of which I spoke in my constructive speech—those who have been sapping the German people. These are the department store owners, and bankers, and industrialists who are clutching at the very throats of the German people. Is it any wonder that Hitler is endeavoring to get rid of them and give back to the German people their land, their own livelihood?

One of the ladies spoke something about the professors not getting a “square deal.” Those professors were fired because they were immigrant Jews who had

been teaching in Germany for fourteen years, and had not yet become German citizens. German doctors were starving because the heads of the various petty communist and socialist parties were Jews, and consequently appointed Jewish doctors in charge of hospitals (which, by the way are run in Germany on a communal basis) who in turn would not give work to anyone but Jewish doctors. Yes, German doctors in Berlin were starving because there was no work assigned them. Seventy per cent of the labor leaders were immigrant Jews. Out of six thousand lawyers in Berlin, four thousand eight hundred were immigrant Jews. And so on and on down the list of professions.

Ladies and Gentlemen, Hitler has the best interests of the German people at heart. These immigrant Semites were ruining Germany for the Germans.

One of the members of the opposition stated that Hitler forced himself into his position; that the people of Germany were forced to vote for him. Hitler was appointed dictator by the President of the German people. Why? Because the President couldn't put anything beneficial into effect. Hitler held the confidence of the German people. He was the only man who could have done anything with that country. He was the man of the hour. He is the savior of the German people. Only one million voted against him. Thirty-four million voted for him. Does this look like a minority?

The ladies have been rather free with quotations this evening, but let us inspect some of them. Bernstein was the author of several, while Hurlburg was another.

There were several others with similar names which I cannot recall. Ladies and Gentlemen, these men are bound to be prejudiced. In fact, most of the quotations given by the Negative side this evening have been from a prejudiced source. And it is this type of unjust presentation which I have endeavored to wave aside this evening.

One of the ladies mentioned something about Hitler and a war policy which he advocates and intends to put into effect. I can hardly blame him. Look at France's preparation—England's, Italy's, Russia's—with Germany in the middle ready to be divided amongst these powers.

Ladies and Gentlemen, when you see a Nazi parade in the newsreel, do the participants ever carry war munitions? No! They are members of a group similar to President Roosevelt's C.C.C. camps.

One of the ladies mentioned an incident in which a mother had three sons killed for no reason, whatsoever. Suppose someone said that President Roosevelt has a selfish motive behind all his measures, that he is creating military training camps all over the country, that he is a cruel man, causing the death of twelve army flyers. This, obviously, is the "wrong slant" on the whole situation. The Negative has a similar "wrong slant" on the situation in Germany. We admit that some of Hitler's policies are not so good, but he with everyone else including the ladies at my left can not be perfect.

Hitler and his policies are not only for the best in-

terests of the German people—they have *saved* the German people.

Second Negative Rebuttal, Helen Smart  
Wesleyan College

LADIES AND GENTLEMEN: Mr. Clarke has stated, I believe, that the American people were fooled about Hitler. He said that public opinion in America was against him, but that the German people were decidedly for him. Here I beg to disagree. If the people have only been hoodwinked about Hitler, it has nevertheless been American and German people. Alice Hamilton in a recent article says that all the more mature, thoughtful, and intelligent German men and women view the present situation with horror and despair. These people are as perturbed over the condition of their country as we are, and they realize its present dangers quite as fully as do Americans.

Mr. Clarke also commented upon Hitler's exceeding generosity in giving a certain donation to young men and women in order that they might get married. This seems to me to be generosity with limitations, since no girl is allowed to marry a Jewish boy, nor even a boy of remote Jewish descent. It also seems to be madness with a method since it is evidently Hitler's policy to marry them, bury them behind "house walls," and refuse to let them take any part in the political, economical, or educational life of the country.

Mr. Perdue has stated that Hitler is not playing to big business, and that even if he were, it is irrelevant

to the question under discussion. I fail to see his reasoning. In the first place, Hitler *is* playing to big business. The editor of the *Nation* says, "Hitler's deeds reveal that he is working hand in glove with the great industrial and financial interests—in short, with the very big business interests whose policies have for years been the cause of the misery and privation which have brought Hitler into power." Surely such a situation is relevant to our discussion since it decidedly endangers the interests of the German people, and since it means luxury and power for a few privileged classes, and poverty and want for the masses.

Mr. Perdue has also said that Hitler preserved for the German people all that they considered worthwhile. This is a generality impossible to support with facts. Hitler and his young band of fanatics have abandoned reason for emotion, have degraded institutions of learning, have driven out scholars, regimented German artists, and proclaimed Sparta as their model. We have shown time and time again that he has wrecked schools, churches, and other valuable institutions. We have shown his attitude, frankly revealed, toward education, culture, scientific inquiry and research. We have shown his very light evaluation of personal liberty and the rights of an individual. Surely these are the things the German people consider most worthwhile, and surely these are the things Hitler has snatched from them!

Our opponents have accused us of speaking in generalities, and of giving no definite proof. I am astounded at the amount and kind of proof they de-



mand. Surely murder, with specific cases cited, is proof. Surely continual violence and violation of personal freedom are concrete measures. There is nothing abstract in the burning of books, the dismissal of scholars and religionists, and the persecution of Jews. We have given instance after instance of Hitler's atrocities. We have given specific examples, and have cited our sources or authorities. We are ready to establish and validify any statement or quotation that we have made, and we beg the gentlemen to reconsider their statement that we have dealt in generalities, for we feel that we have given as concise and specific evidence as is possible.

My colleague and I have purposely not brought the Jews into this discussion to any great extent, but since my opponents have so consistently referred to them, I shall take the opportunity to say a few words in regard to them. The persecution and intolerable situation of the Jews is undeniable. Even the most ardent defenders of Hitlerism cannot gainsay this. The only defense that our opponents can offer is the very debatable point that the Jews do not constitute the German people, and that consequently their persecutions do not touch the German people. To any clear-thinking person this is preposterous. Naturally when Jewish scholars, educators, artists, and church officers are persecuted, the German people must suffer. When Jewish culture is wiped out, the influence on German culture is derogatory. Any short-sighted theory as to the harmlessness on German civilization of Jewish persecution is bound to be erroneous.

Mr. Perdue has stated that Hitler has succeeded in promoting a new German nationalism. In fact, this seems to be the main contention of him and of his colleague. Such is undeniably the case, but what he has not brought to your attention is the fact that such nationalism will forfeit any hopes of internationalism. We do not need to be reminded of the importance of international relations, and the decided benefit a nation will reap when it attempts to adjust itself to a brotherhood of man—a world commune. Hitler, with his emphasis upon strong nationalistic feeling, has placed his country in a situation which is internationally insecure and disadvantageous.

While Hitler rules, there is no hope for the German people. It is in their behalf that we denounce him and his policies as selfish, narrow, materialistic, tyrannical, and unspeakably dangerous.

### Second Affirmative Rebuttal, William R. Perdue, Jr. Emory University

LADIES AND GENTLEMEN: In listening to the speeches of the very charming and capable members of the Negative tonight, I am, strangely enough, led to the field of algebra for a simile. In that great branch of knowledge it is possible by combining certain isolated processes and ignoring one of the fundamental laws of algebraic method to prove that one is equal to zero—but I am not thereby convinced that the dollar which I so rarely have in my pocket is exactly equal to a hole in said pocket. And so, it is equally possible in this

debate, or any other debate for that matter, to take certain quotations and incidents and prove that Hitler is a monster and that Hitlerism is a rule of unmitigated violence. Now we could quote to you equally biased statements in favor of the other side, but we have not done so because in the present state of opinion, quotations are wholly meaningless. We choose rather to consider the policies of Hitler as the world knows of them and decide whether they are conducive to the interests of the whole German people.

The second speaker of the Negative devoted a great deal of her time to the detrimental effect of Hitler on German culture. In the first place, the time of the Hitler rule has been too short to judge of its final effect on German culture. Furthermore, even despotism in its worst forms is not necessarily inimical to the development of culture. The Italian renaissance which produced Italy's most glorious period of cultural development came under the reign of petty despots. Cultural development depends on other factors than political forms of government. And in the final analysis the best interests of the German people may lie elsewhere than in cultural development—a possibility which the Negative entirely ignores. Certainly the Hitler regime is not inimical to scientific development which has been the crowning glory of German civilization so far.

Now, we have also heard a great deal of the fact that the Hitler policies are leading to war. If the restoration of Germany to her rightful place in European affairs leads to war it is not purely the fault of Hitler.

The armament expenditures of every other European nation of any consequence far exceed those of Germany. Germany is not seeking war; she is seeking security which the European nations have proved that she cannot expect from their good will. What recourse is there left to her other than her own efforts? If war comes in Europe it will be a result of the European system and not of Hitler. And besides, I should like to ask if the young ladies have pointed out that war will necessarily be against the best interests of the German people? We do not contend that it will necessarily be to their best interests, but the mere statement that Hitler's policies are leading to war, unproved as it is, cannot convince us that his program is detrimental to the best interests of the German people.

Let me again remind you that we are discussing tonight the interests of the German people. My colleague has pointed out that the Jews constitute only about two per cent of the German population and that not all of this small minority has suffered but only those who were exploiting the suffering German people. Hence even if we admit them as German people the program against them cannot be seen to be inimical to the interest of the German people. We must keep to the democratic ideal of the greatest benefit to the greatest number, and the possible sufferings of very small and selfish minorities must not blind us to the good which the great mass receives.

It has been further charged that Hitler is in league with Big Business, but here again the proof lies only in a quotation from the *Nation*, a publication naturally

hostile to all that Hitler advocates. Can a minimum wage law, a campaign against the huge department stores in favor of the small merchant be construed as a favor to Big Business? Is the reduction of unemployment purely for the benefit of Big Business? Until more conclusive proof is advanced we cannot agree with the charge of the opposition.

Another feature of Hitler's foreign policy that occurs to us in the arguments of the Negative is the question as to how a foreign policy which to them is so vigorous as to be leading inevitably to war can be characterized by them as naive. Naive policies may be any one of a number of things, but they do not usually lead to war. Hence we must conclude that Hitler's foreign policy is not leading to war or it is not ineffective. Of course we do not believe that it is leading to war but we do believe that it is effective. What the young ladies believe it is hard to say.

In conclusion I should like to sum up the contentions of the Affirmative tonight. We have first pointed out that the policies of Hitler are policies of action which are really accomplishing something. His economic program is rehabilitating the great mass of the German people. His whole program has restored the spirit and confidence of the German people and his foreign policy has regained for Germany the respect which all nations feel for a vigorous policy. Finally, we have pointed out that in preventing the success of communism in Germany, he has saved Germany from ruin.

In disproof of these things, the Negative has advanced a great many quotations and a few instances of

possible violence. These arguments have been either intuitive or simply the acceptance of authority. We do not feel that sufficient evidence has been adduced in support of their charges to validate them; and even if proved, we do not feel that it has been conclusively demonstrated that they are detrimental to the best interests of the German people. Hence we feel justified in our support of the statement that the policies of Hitler are to the best interests of the German people.

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- e. Samuel Seabury
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BRITISH VS. AMERICAN SYSTEM OF  
RADIO BROADCASTING

*An International Open Forum Debate*





# BRITISH VS. AMERICAN SYSTEM OF RADIO BROADCASTING

*Cambridge University (England) vs.  
College of the City of Detroit (Michigan)\**

It is the custom of the National Student Federation of the United States to bring debating teams from England, the Continent, and Australia or New Zealand to America annually for a tour of colleges in this country interested in engaging in an international debate. The American college is required to make a financial guarantee, the aggregate of which pays the expense of the foreign debating team, which often has as many as thirty or forty debates on its schedule. Of recent years the country has been divided into three districts: the East, the Mid-West, and the West, and a foreign team has been assigned to each district. Teams from England are assigned to different districts in turn. The British teams come from Oxford, Cambridge and the British Student Union which selects from the other colleges of Great Britain than those composing the two large universities.

The following debate is one held on December 12, 1933, at Detroit between the Cambridge debaters and those of the College of Detroit, each team defending the broadcasting system of its own country. The question for debate was stated, *Resolved: That the United States should adopt the essential features of the British System of Radio Control.* This subject was debated by most of the high schools of the country last year as the National subject of the University Extension Association and the National Forensic League.

The present debate illustrates aptly the difference between the English and American systems of debate, also how the open forum feature actually works. The speeches of the Creighton University team particularly emphasize the difference between English and American attitudes toward debating. They met the same Cambridge team previously on its American tour.

\* Now Wayne University.

The speeches for the first debate were contributed by Professor Rupert L. Cortright, Director of Debate at the College of the City of Detroit. Those of Creighton University by the Rev. William J. Finan, S.J., Director of Debate at Creighton University.

Remarks by the Chairman, The Honorable  
L. C. Hughes-Hallett  
His Britannic Majesty's Consul

LADIES AND GENTLEMEN: One thing must be perfectly obvious to you who come to a debate of this sort, and that is the one person in the whole of this hall who is not expected to talk is the Chairman. As I happen to be the Chairman tonight, I am not going to take up your time with a lot of talk, but as the debate is on the subject of the radio systems as used in Great Britain and as used in America, as British representative here, who has lived in this country some five or six years, I cannot help but have an interest in the two different systems. Naturally, the Chairman is supposed to be unprejudiced and unbiased, but you cannot find any Englishman, much less a representative of his country, feeling unbiased when two of his own countrymen come out here to take the Affirmative side of the debate. I have heard the radio in England, and also in this country. I am very fond of a lot of the American radio programs. I have taken a very great interest in those colossal efforts of people like Kate Smith who is trying to push that moon over the mountain. I sincerely enjoy her efforts, but it is rather distracting when you are just wondering whether she is going to do it, to be interrupted by, "It is only Z-i-p, Zip, that gasoline."

Of course, in England we would say zed-i-p, and call it petrol. The same way, one listens here to marvelous jazz orchestras, and one just gets taken away from the work-a-day world, just closes one's eyes, when someone breaks in, and asks, "Have you got pink tooth brush?" Those things are going to be debated here tonight.

According to the program, I see it is a no-decision debate. I don't know exactly what that means, but I presume each side is so courteous, they don't like to admit the other people are wrong. However, the debate is going to be carried out by two representatives of Cambridge University, in England, and your two representatives here from Detroit. Each speaker will take twelve minutes; the first twelve minutes, the first speaker for the Affirmative; then twelve minutes reply on the Detroit side, and the second speaker for the Affirmative and the reply by the Negative. After that they are allowed another six minutes each. At the end of the debate, the Cambridge team have volunteered to conduct an open forum, in case you would like to fire any questions, not necessarily about radio, because they know lots of other things besides radio, but you would possibly like to discuss the question of debating problems in England.

I won't take any more of your time, but will introduce the first speaker for the Affirmative, Mr. Alastair Sharp, of Clare College.

First Affirmative, Alastair Sharp  
Clare College, Cambridge University

LADIES AND GENTLEMEN: Judging from the temperature of your country, at any rate you know what snow means in this part of the world. I suppose, therefore, you all realize as a snow ball goes on its way through the snow, it gets bigger and bigger. Just in exactly the same way, because of the tremendous hospitality which you Americans have shown to my friend and myself, and we thank you for it so very much, because of that tremendous hospitality, my friend and I, as we go on our way through America, get bigger and bigger; and, in fact, it is just as well that we are sailing for home on Friday, otherwise we would be so big we couldn't step on board the *Berengaria*.

Now, Ladies and Gentlemen, I must begin my speech tonight with a slight apology, because although I am representing an English University, I am not English at all, but am only Scotch. But even though I am only Scotch, I did think until I came to your country that I could speak English; but here I find that I am only a foreigner, speaking a very, very foreign language. Why, only this morning, I was having breakfast in my hotel, and I asked the waitress to get me some butter, and I suppose I said "buttaw" and not "butter." Anyway, Ladies and Gentlemen, this is what she said: "Say, quit kiddin' can't you, and talk English."

Whether I am English or not, and whether I can speak English or not, although as I said before I am Scotch, the sort of people who put Lux into their bacon

to prevent it from shrinking; the sort of people, who, when playing golf, if our opponent should have a sun-stroke, we make him count it; the sort of people where there is one good old Scotch lady, the story is told of, who went to the school teacher at her son's High School, and asked him to teach her son Latin and Greek, but the teacher said, "These, my dear lady, are dead languages; they will be of no use to your son." She said, "It is because they are dead languages I want my son to learn them, because he is going to be an undertaker."

Anyway, Ladies and Gentlemen, to get back to the point, even though my friend and I are only very much passing guests through your town—we came in at four o'clock this afternoon and we leave for New York at two A. M., we are very much passing guests—therefore, I hope you won't just dismiss us after this debate as mere gassing pests.

Now, to turn to your system of radio control, I suppose you want to hear exactly what I think about your system of radio control, but as I believe there is a censor in America, I had better be as mild as I possibly can. I want to lay down right here that we object in your system to this advertising principle by which you get all your revenue, and which finances all your programs, good and bad. Now, it will be entirely useless for them to tell us how good your educational, musical, cultural and other programs are, how good, in fact, your unsponsored programs are, because we admit all that. Our point tonight is, the whole of your system is based on advertising; all of your good programs, as well

as your bad programs are paid for by advertising, and our point is that until you clear away advertising entirely from your system, you will not get that perfect system which it is our duty and great pleasure to present here tonight as the British system.

This advertising system, Ladies and Gentlemen—About five weeks ago now, I had the very great honor, or so I thought then, of being asked to broadcast over the radio in St. Louis, my impressions of your country; they were very nice ones, let me tell you. Still I must say the great pride, the great thrill I felt in being asked to broadcast, got a kick in the pants, you say, don't you, when the announcer introduced me on the radio. Before introducing me, he told the world that Slack's washing machines were the best washing machines on the market. Now that would have been bad enough, but when he went on to say that Slack's washing machines had the best possible underskirts, that was going too far. To be associated with an underskirt in any shape or form, even though it was only the underskirt of a washing machine, was too much for the pride of an honorable Scotsman.

Then, Ladies and Gentlemen, in one of those interminable halts in between trains that we have been doing lately in your country, we were listening to the radio and we got Beethoven's Fifth Symphony, but did we get much of it? Oh, no. Before the end of the first movement, before that gorgeous, slow movement came on, a ghastly announcer with a screechy, high-pitched, feminine voice said that Cutie's Kissproof Lipstick was the best lipstick on the market, as though, Ladies and

Gentlemen, I didn't know it already. In any case, what Cutie's Kissproof Lipstick has to do with Beethoven, I am sure only Beethoven could tell you.

And one last case, two nights ago, I was invited to the home of a friend to dinner, and after dinner we were listening to the radio, beautiful violin music, Albert Spaulding playing the most beautiful, soothing music I ever listened to. I said to my friend, "I have misjudged your system; it is very, very good; they give you Albert Spaulding." He just roared with laughter and said, "Do you know why that man was playing that beautiful music?" I said, "No. I would very much like to." He said, "He was playing to advertise Castoria." Ladies and Gentlemen, we don't have Castoria in England. But we do not, we certainly do not mix up Castoria with beautiful violin music, Cutie's Kissproof Lipstick with Beethoven, and underskirts with honorable Scotsmen. That is an iniquitous state of affairs that your system of radio control brings, and until that iniquitous system is changed, this same chaos and confusion will go on, and it is my friendly and most pleasurable duty to urge you to avoid this confusion and change your system to the very, very much better British system which I shall now turn to with very great relief.

Now, the first point, it is a monopoly. We do not have, therefore, the chaos and confusion caused by the competition of six hundred odd stations that you have in this country, headed by two vast chains, the N. B. C. and C. B. S., both fiercely competitive and both fighting tooth and nail against one another. Our system is a

monopoly and as a monopoly it leads to good organization and efficient programs and careful adoption and organization of wave lengths and programs. Our system, our monopoly, is under the supreme control of a Director General whose name is Sir John Reith. Now, Ladies and Gentlemen, I am sure you will hear much from our opponents about Sir John Reith. I am sure they are going to call him the Big Bad Wolf of British broadcasting, but let me assure you in advance he is not the Big Bad Wolf. In fact, he is such an attractive man, if he were to say to my distinguished opponents, "Won't you come up some time," and they went, he would give them a very, very good time.

Sir John Reith has been appointed to hold his office for life or until he is inefficient, when he will be sacked, and he hasn't been sacked yet. Therefore, that proves there is no inefficiency in British broadcasting. He is appointed by five men or women who are known as the Governors of the British Broadcasting Organization and these Governors in turn have themselves been appointed, each to hold office for five years. They have been appointed by the British Government, and now, of course, my distinguished opponents will say, Oh, yes, political control, party control; but my answer in defense is this, just how much political control is there over the organization of a State University in this country, because the appointment of its Chancellor is exactly the same as the appointment of Sir John Reith. I am told the Governor of the State here appoints what are called the Regents of the State University, and the Regents appoint the Chancellor who holds office



supreme. In exactly the same way, our Governor, so to speak, has appointed Governors—that is, your Regents—and they in turn have appointed Sir John Reith, Director General, who holds office for life or until inefficient. Therefore, to say it is political control of broadcasting in Great Britain, let me warn you, would be saying, as Mr. Asquith has once well defined it, terminological inexactitude, which is a statesman's way of describing it as a darned untruth.

Ladies and Gentlemen, I see my time is drawing to an end. Therefore, it will give me great pleasure to keep my other defense of British broadcasting until my rebuttal, when I shall more accurately be able to drive away all the false apprehensions my distinguished opponents will pour forth in their eloquence upon you. Let me say in advance, the major point at issue tonight is the system of advertising against the system of revenue. I see you are all wanting to know how we are paying for our radio programs. Well, we pay for a radio license which comes to the sum of ten shillings a year for each radio; that comes to two dollars a year. At the present moment, because of the reduced value of your "boloney" dollar, it comes to about two dollars and a half, but surely you would not begrudge two dollars and a half to be free from advertising for a whole year. Personally, I would have paid two dollars and a half not to hear about Cutie's Kissproof Lipstick, and with that final comparison, I will leave the rest to my distinguished opponents, with the hope that I may correct them somewhat later on in the evening.

First Negative, William Macomber  
College of City of Detroit

LADIES AND GENTLEMEN: I am sure you will all excuse me if I appear a little nonplussed, a little shocked, as it were. You know, for twenty-two years it seems that I have been laboring falsely under the impression that the only way you could make anyone coming from the British Isles happy in his old age was to tell him a joke when he was a boy. To the gentleman who has so brilliantly and humorously acquitted himself, my apology.

I think Shakespeare said something at one time that might be particularly pertinent to my position, at least. I think that statement concerned "cowards die many times before their deaths." If you recall, in the concluding statements of my opponent, he was continually warning us not to talk about the political system, not to talk about this and that and the other thing. They might be hedging, after all, in the British Broadcasting System. I wonder if they have ever stopped to think about that.

Trust me when I say that if the American Broadcasting System is as bad as the gentleman has indicated, there would be little point in our being here, certainly much less prudence; but because so much can be said in favor of our system, because it serves so adequately the needs of so many of our people, we hope to show you it would be unwise, in the light of the true facts, to turn to the British Broadcasting System as a solution.

Now what is the system the gentlemen are recommending here this evening? The best way to understand it, is to imagine it in actual operation in the United States; imagine we are living some time in the future, and Congress with all its fairness and finesse, of which it is characteristic, supposing Congress established control of the radio under the Postmaster General and created a public monopoly like they have in Great Britain. Fine. Now, let's, just for the fun of it, add to this beautiful panorama a little bit of typical American politics as popularly played in this country. Supposing we have a Republican President or a Republican Congress, no use kidding ourselves about that, if we have Governmental control of the radio, it will be controlled by the Government. Supposing we have that, are they going to be as kind to the opposition on the eve of election as they are under the present system? What would happen in Great Britain if Lloyd George and Winston Churchill would go to the radio and ask for time for political purposes, or we might better ask what would happen when Lloyd George and Winston Churchill asked. Why they were refused, just as they would be refused in the United States, just as they would be refused under any system where the Government had control of the radio.

Now, do you suppose when Gandhi spoke to America from three thousand miles across the sea, from England, a single loyal son of England, or Scotland, heard him? Absolutely not. He said things not particularly popular to the ruling cause.

Now, even were we able to conceive the success of

the British plan in the British Isles, which fortunately we cannot, what reason have we to think it would succeed in America? Why, the Englishman might remain complacent with their greatest statesmen excluded from the air, might tolerate these rigidly hand-picked programs as they have under the British Broadcasting System, but would you Americans? Probably not. Just as I differ from the gentleman who preceded me, in speech, manner and style, so do the people of this country differ from those of Great Britain. The British seethe with their love of aristocracy, country and King. They could with natural propensity and courtesy permit government agents to tell them what they should or should not hear, but would you Americans, now accustomed to listening to informal addresses of the President, or, we will say, to the clang and clash of political battles? Probably not. Now, here is the point. Not only do Mister Uncle Sam and Honorable Sir John Bull differ wisely as to temperament, but their political systems reflect all the difference in the world. Why, in England your statesmen aren't drawn from the cleaning and dyeing business, from the liquor business, or even from the banking business. They are trained in the business of government. They are sent to Oxford and to Cambridge, and then drafted into the service of their countrymen, and any of you who have heard Ramsay MacDonald over the radio of this country, undoubtedly have been struck by his calm, cultivated philosophical manner, an almost poetic attitude towards things of the State. That is your British statesman, if you please; the rule

and not the exception. You see what may be theoretically possible in Britain, may be theoretically unthinkable in the United States. Our differences in living, in thinking, our whole political systems are so entirely different, that we, gentlemen, could not hope to succeed in doing what they think their plan would do. Now, why, then, is there not, in the face of all the circumstances, every reason to keep our present system?

The gentlemen say there is too much advertising; they object to being introduced on the same program with the sale of washing machines or toothpaste or with lipstick. Yet, I would remind them that the reason they were introduced on the particular program was because of the toothpaste and because of the lipstick.

What is this present system? Well, our present system is supported entirely by commercial advertising and naturally the aim of the advertiser is to attract as many people to his particular product as possible. The only way he can do this is by giving better programs than the other fellow. For years, for example, Amos and Andy, Kate Smith as mentioned by our Chairman, and Rudy Vallee were so successful in this respect that their programs were signals for other stations to get off the air. But lo and behold, last fall, a new program, Mert and Marge, nearly drove Amos and Andy into oblivion, and Kate Smith, the Kate Smith that was mentioned here, received letters from all over the country telling her to follow her moon over the mountain. Well, Rudy, who had crooned America cock-eyed, had to turn into an all-star program in order to keep his listeners spellbound, and remember this, there

isn't a program in America but what is driven by the same uncompromising force of competition, that isn't daily reminded "improve your program or get off the air." They don't wait, as in England, for the Board and Committee to sit down and knock them off. They go off; the sales receipts reflect it.

And what is the up-shot of all this? America has sixteen, eighteen, nineteen, twenty hours of radio a day, while England listens to nine, twelve, at the utmost, fifteen. America listens to some of the finest music, classical and opera, all kinds of broadcasting, sports, football games, without a penny of cost. How does England get this nine, twelve, fifteen hours a day? By taxing every radio set in England, last year, nearly three dollars, and those of you who have done any welfare work in this city, or who have, like myself, solicited through some of the poorer sections, will catch immediately the humor of this policy. Imagine going to some of these people who haven't paid their gas or light bills and smugly telling them, "Pay three dollars or get off the air." What a fine Christmas present that particular thing would be. So you see, when we consider the British broadcasting system in this light; when we consider, after all, it would create a monopoly, which would be merely putting the government in control; when we consider our own American system, particularly adapted to our own particular needs and our own particular desires; our whole attitude towards the British Broadcasting System can be summed up in the words of another prominent Englishman, "Better to bear the ills we have, than fly to others that we know

not of." We say, better to keep our present broadcasting system than to turn to the British Broadcasting System, the evils of which we know too well.

Second Affirmative, Michael Barkway  
Queen's College, Cambridge University

LADIES AND GENTLEMEN: Before I pass to the serious matter of this debate—I don't believe either of the speakers tonight has yet realized how serious it is—let me offer you a word or two of explanation of my honorable friend, Mr. Sharp. Now, I should be very distressed, Ladies and Gentlemen, if anyone here were to go away tonight with the impression that my friend and colleague does not appreciate Cutie's Kissproof Lipstick. I believe from the small experience that I have had with the gentleman that he does appreciate it, but he holds the belief, and I think quite rightly, that there is a time and place for everything. And as for all these stories he told you about the meanness of a Scotsman, why there are plenty of them in England; they are always going about, like the Scotsman who was going to the cinema—he had only one eye and expected to get in for half price. I never took these stories seriously. I always thought they were, well, sort of a publicity stunt, nothing in them, until I started on this trip with Mr. Sharp, and I have been at it for nearly two months!

Now, Ladies and Gentlemen, the last thing that I would wish to appear before this audience is to be either superior or condescending to my opponents, but

I should like, if I may, to start off my speech by offering one word of advice to Mr. Macomber who has just spoken. I would not have you think I did not appreciate his speech. I enjoyed every word of it. His fiery eloquence thrilled me, but, if, without appearing to be in any way presumptuous, I might be allowed to offer him one piece of advice upon the composition of his speech, it would be this. I would like to suggest to the honorable gentleman who has just sat down, that when he makes up his speeches in the future, he should put less fire into his speech, but more of his speech into the fire!

Now, I have been told, Ladies and Gentlemen, and this information comes from America itself, that American people have the habit of going to church far more frequently on Easter Sunday than any other Sunday in the year. I hope that that is not false information. I have also been told of a certain minister in an American church who entered his church on Easter Sunday and saw about three times more people than he had ever seen before. He couldn't resist saying how glad he was to see them, so he said, "I am exceedingly glad to see so many people here on this Sunday, and as I expect that I shall not see most of you until next Easter Sunday, I would like to take this opportunity of wishing you all a Merry Christmas." I am very pleased, Ladies and Gentlemen, to take that opportunity tonight.

I wish I could tell you how much I appreciate this audience. I had been told before I came to this country that if you told a joke to an Englishman, he laughed three times; when you told it to him, when you ex-



plained it to him, and when he understood it. If you told a joke to a Scotsman, he laughed twice; when you told it to him and when you explained it to him, but of course he couldn't understand. If you told a joke to a German, he laughed once; when you told it to him—just try to explain it to him! Of course, *he* can't understand. And then, I have been told if you tell a joke to an American, he doesn't laugh at all; he has heard it before.

And, now, let me turn to the excellent speech of Mr. Macomber. Now he made a speech that I should never have dared to make on this platform. He informed you, in effect, that the British system of control might be a whole lot better than the American one, but anyway America was not capable of it. My honorable friend, Mr. Sharp, and I would never, in all our wildest dreams, have had the impertinence to make such a speech before an audience of American citizens, and I wouldn't have you think it is only tact that made us refrain from making such a speech. And let me tell Mr. Macomber what tact is. I can't give you my own definition; I have none. I can only give you the definition that the plumber gave to his mate. The plumber happened to be talking of tact to his mate, and his mate said to him, "What is this word 'tact,' what does it mean just?" So the plumber answered, "It is like this; I was invited up to Mrs. Smith's house today; I was asked to mend the pipes in the bathroom, so I went up to Mrs. Smith's house about twelve o'clock in the morning and I didn't imagine the bathroom would be occupied at twelve o'clock in the morning and I went

straight up to the bathroom. When I got in the bathroom, I was a little horrified to find Mrs. Smith in the bath, so I just went out as quickly as I could and before I shut the door, I said, 'I beg your pardon, Mr. Smith.' That's tact."

I say that my colleague and I have too much tact, besides lacking the necessary conviction to tell you although the British system is superior, America is incapable of it.

Naturally I have been told a good deal about American politics since I have been in this country, but I refuse to believe that this country is incapable of supporting an organization which shall be free from political corruption. I believe, for example, it may be that the team which is debating us this evening is a member of a debating squad. I believe it is free from political corruption and that is a considerable assumption.

Now, we have been told by Mr. Macomber that the British system is in the hands of party politics. He quoted Mr. Lloyd George, Mr. Winston Churchill and Mr. Gandhi. He told you that they had all been refused permission to speak on the British air and I believe that they all have, and I am profoundly thankful for it. I don't know what America thinks about Mr. Lloyd George or about Mr. Winston Churchill. The fact is, that these two gentlemen are gentlemen with a very considerable sense of their own importance. Certainly Mr. Winston Churchill is a person who believes that the one thing the British public want to hear is Mr. Winston Churchill, whenever Mr. Winston Churchill wishes to broadcast over British air, Mr.

Winston Churchill should be allowed to, and the last thing in England the British public want to hear is Mr. Winston Churchill. Therefore, the British public are profoundly thankful to the British Broadcasting System for refusing permission to Mr. Winston Churchill to broadcast. Similarly, Mr. Gandhi. I can quite understand that the American public, not having been brought into as close touch with Mr. Gandhi as the British public, possibly was interested in the strange man with the goat. The British public had so much of the goat and so much more of Mr. Gandhi, that they did not know which was which. The very last thing they wanted to hear was Mr. Gandhi on the British air, and the British Broadcasting Corporation, having as its sole object the service of the British public, was sufficiently sensitive to the wishes of the British public to exclude these gentlemen from the British air.

Second Negative, David Goldman  
College of the City of Detroit

LADIES AND GENTLEMEN: When Mr. Macomber said that Lloyd George and Winston Churchill were not heard in Great Britain and the gentleman voiced his thankful prayer that they were not heard in Great Britain, I think all we can say is—that a prophet is never known in his own backyard, and when the gentlemen say they couldn't quite distinguish between Mr. Gandhi and the goat, it may be because they are both quite stubborn.

Ladies and Gentlemen, it appears that our friends

from England would have the United States adopt the British system of radio control, which is essentially a quasi-public monopoly, receiving supporting costs by means of taxes, levied upon each radio set. As Mr. Macomber has already pointed out I am quite sure you would all be very grateful to receive a Christmas gift of a bill, say, in the United States, of two, four, five or ten dollars. But further than that, when the gentlemen talk about taxes, we think that they are in a class in America where they just can't be beat. The American politicians can't be beaten when it comes to levying taxes. Why, we pay taxes when we are born, eat taxed food, wear taxed clothes, outside of those we rent, we ride in taxed cars, driven by taxed fuel on taxed roads, and even when we die we have to pay a tax in order to get a final resting place. In short, the genius of the American politician has us coming and going, but the Affirmative are not yet satisfied and they say, "A-ha, you have overlooked one thing, you have overlooked one thing, the people are getting something for nothing when they listen to the radio. Now, we will fix that; we will fix that by placing a tax on what they hear." Ladies and Gentlemen, I sincerely hope that one of Governor Comstock's colleagues is not in the audience.

Now, Mr. Macomber and I might have presented an eloquent plea against the British system on the basis that it would cost us too much money, running into hundreds of millions of dollars, but after all, what is a couple of million dollars between friends, so we go ahead to figure more fundamentally.

It may be wise to get in mind the argument Mr.

Macomber stressed, namely, there are fundamental differences in the temperaments and tastes of the American and British radio listeners. The Britisher thinks nothing of it when there is a break of five minutes in the program, while the central station calls up the outlet station to find out if everything is all right, but we in America think there is something radically wrong if even a few seconds elapse. We are accustomed to precision in the presentation of our programs.

The gentleman made the statement that underneath their system they have a very efficient organization. Would you call it a very efficient organization to have dead spots of five to fifteen minutes in your programs? We don't think that's quite so very efficient. But further than that, when the gentlemen say they would like to have America follow England's lead and have Government control and operate radio broadcasting, they are proposing that which is their strongest institution and our weakest. The high caliber of men in England's political life is her pride and greatest joy, but is this true in the United States? You and I well know the word politics is synonymous with the words graft, corruption and inefficiency. Our great leaders, such as Owen D. Young, prefer private enterprise, leaving former Boxing Commissioner, Jim Farley, in charge of the Post Office.

Now, when the gentlemen say they are perfectly satisfied that the United States could come up to the caliber of the British system, we wonder if they aren't chuckling up their sleeves a little bit. After all, you and I are well accustomed to the graft, inefficiency and

corruption in the United States, and I think it would be wise to hesitate a little bit before taking this radical step which they suggest.

It appears to the Negative that we have everything to lose and very little to gain in the United States by adopting the British system. Here in America we have nearly six hundred stations broadcasting eighteen hours a day. If we don't like the Slack's Washing Machine program, we can turn to the Cutie's Kissproof Lipstick program, and if we don't like either of those, we have a choice of six hundred others and we can get that which we want. But in England, when there are only two available programs broadcasting at the same time, you take one or the other. What you listen to is determined by Sir John Reith and you haven't anything to say about it. Now, here the gentlemen have indulged in a very remarkable argument. They tell you Reith won't be sacked until he is proved inefficient, and because he isn't sacked, therefore he is efficient. Their reasoning passeth all understanding. Here in Detroit, for instance, we have just about reached the conclusion it might be wise to dispense with the services of Mr. Wilcox, but he is still in office. He is, therefore, efficient?

When the farmer in the United States sits down to his noon-day meal, he can tune in and hear how to combat the locust invasion; he is told of the road conditions. The city man may hear the daily news; his wife may tune in on the cooking school and both benefit thereby—musical programs at one's finger tips at all times of the day. Nor can we overlook the fact of the

strengthening of home ties by the radio, the quiet gathering around the family hearth to listen to the world's finest concert. It is not an uncommon occurrence to hear the New York Philharmonics, the Philadelphia Symphony Orchestra, to mention but a few, and on December 14th we will broadcast into every American home the first of the series of Metropolitan Opera. In all fairness to the British system, we doubt very much if it could bring into your homes such notables as John McCormack, Nicholas Murray Butler and the rebroadcast of King George V of England, and may we point out King George was not presented through the compliments of any toothpaste concern.

When the American system makes it possible for the President of the United States to discuss quietly the affairs of the Nation with us; to allay our fears and bolster our courage; I think you will agree with me when I say the American radio system is performing and meeting the needs of the American people. But more than that—in the field of political discussion, the superior merit of the American radio system is very marked. Unless I am mistaken, and the gentlemen of the opposition are perfectly free to correct us if I am, and thus far they haven't been at all bashful, the people of England are passionately interested in politics and political questions, but do they hear the political representatives of the world? Not at all.

For many years, political, industrial and religious controversies were barred from the air in England, and not until 1928 was that bar lifted to any degree at all.

At the present time a visiting statesman must have his manuscript censored by the Post Office Department before he can address a British audience, and may we point out the Postmaster General may take the air for Government purposes any time he so desires. If that were true in the United States, General Johnson would burn up the ozone in a few days. The effect of censorship cannot be overlooked. The British people were interested in and affected by the results of the Geneva Disarmament Conference, yet they heard only seven broadcasts from there. Here in the United States we heard sixty broadcasts. The representatives of England, Italy, France, Germany and all the other countries made the problem of peace vital to us, and I might say if the gentlemen in England listened a little bit more perhaps to Lloyd George, Winston Churchill, Mr. Gandhi, and the other representatives of the world, the problem of peace might become vital to them also. Although Mahatma Gandhi, discussed here at great length, spoke from the British Broadcasting Office, he was not heard in England but in the United States, and may we point out that Mahatma Gandhi was not presented through the compliments of the United States Sheet and Cotton Mills.

I merely want to say, in conclusion, Ladies and Gentlemen, that the arguments of the opposition which they have launched thus far and in our haste, perhaps, we have not touched upon, will not be overlooked; their pleas are not falling upon deaf ears, but we merely wish to point out we have everything to lose and very little to



gain by adoption of the British system and this point will be carried throughout the entire debate by the Negative team.

First Negative Rebuttal, William Macomber  
College of the City of Detroit

LADIES AND GENTLEMEN: Somewhere, somehow, there is something in the arguments of the gentlemen from across the sea that reminds me of something my very learned Professor of Philosophy once said in describing, in differentiating between, the English and French. "Remember this, your Englishman can be compared to a Geologist. He explores, he delineates, he surveys, and then he takes his facts and interprets them and arrives at some logical conclusion. Your Frenchman can be compared to a Mathematician. He *is* logical." Now, the gentlemen are not Frenchmen. Neither are we Frenchmen, but there is an element in their argument which smacks quite strongly of anti-French flavor.

When they assume at the outset that what will work, if it does work and we doubt very seriously that it does, if they say what will work in Great Britain will work ipso facto in the United States, it doesn't do it. We pointed out there was a great deal of political manœuvring on the British radio system. The gentleman came back and admitted it and deplored the fact that we faced realities in this country. He said, "Yes, we keep Gandhi and the rest of the boys off the radio, so they won't hurt things, and we are proud of it."

Now, that's all right for an Englishman, but it is the thing I was trying to point out in my constructive arguments. You and I don't like that sort of thing at all. We like to give every man a chance. Out of a few stations Norman Thomas has been excluded; from a few other stations, radicals have been excluded, but by and large our men have a pretty good chance to speak their ideas. That's America and American tradition. Now, you have your Britain over here; all right, but do we want it? I ask you.

Now there was something Mr. Goldman said that reminded me—rather, when he mentioned the name of Jim Farley, and I thought immediately of some of the implications of the British Broadcasting System as would apply to our American system. Were we to adopt the British Broadcasting System, we are going to have a group of men continuously checking every program before it comes up. They say, this is nice; that is naughty; this is contaminating; this is going to help the people; this is vulgar. It is going to be sort of a sifting process. Now, under our American system, if we place the control of the radio under the Postmaster General as they have in Great Britain, what is the answer? We have Jim Farley and if he knows as much about radio as he does about postage stamps, wouldn't we be blessed? Couldn't you just see Jim, with all the fervor he could master, telling N.R.A. bedtime stories to the children, or we will make this a little lighter, perhaps trying to decide between a lecture on the atomic theory of matter, and the blighted romance of Mademoiselle Coo-Coo. That is the type of thing

you have on the British system, this continual sifting. Not merely always is it a question of choosing between such iniquitous things as which kind of muck you are going to hear, but they choose between who shall speak; whether it shall be the proponent of the particular party in power, or whether it shall be the poor downtrodden opposition man, and that is the thing we seek to avoid in the United States, is it not?

Now, in Britain you have several parties and any time one party gets too huffy trying to control the radio, they would gang on him and out he goes, but in the United States your man is elected for a period of two, four or six years, and in that two, four or six years there is no getting him out. Once you give him control of the radio facilities of the nation, it will take political chicanery to get him out and you all know it.

Another interesting element in the arguments of the men from Britain—we appreciate under the British monopoly plan all competition would be lost. There would be absolutely no incentive on the part of any radio station to improve over its competitor, because the Government up at the top would be continually dictating programs. So what does this mean? It means this. I will let you in on a little secret. A party came over from Great Britain and went over to see Mr. Fitzpatrick, Manager of W.J.R., in the Columbus-discovered-America attitude, to find out how we do things here, how we get these radio programs, how we manage, how we get variety, and so forth and so on. Mr. Fitzpatrick said, "If we didn't have stations W.J.B.K., W.W.J. and W.M.B.C., in constant competition with

us, we would just push buttons, there would be no incentive to improve," and that is the thing you have on the British Broadcasting System. You push buttons; that's about all it amounts to.

And now, in closing, I want to remind you of this other rather important feature—considering the plight of America at the present time, I believe it is rather important at least—this tax they are going to impose on radio sets of America. It is not very important—perhaps it doesn't amount to very much to an Englishman, but to an American who has so many obligations to meet, three or four dollars a year on a radio set wouldn't meet with public necessity and convenience, not by a long shot. We want, in closing, to remind the gentlemen, after all there are these elements of importance that would stand in the way of any favorable adoption in the United States. We would like to have them show us how it could possibly be done, in a favorable way, if they will.

**First Affirmative Rebuttal, Alastair Sharp**  
**Clare College, Cambridge University**

LADIES AND GENTLEMEN: I have been entertained—just been vastly entertained—and I must congratulate the distinguished gentleman on his most able speech. Before I do that, I want to point out the reason why Mr. Barkway is so sore about this Scotch and English business. After all, Mr. Barkway is only an Englishman and England is only a little piece of land added on to Scotland. You know these Englishmen

are rather annoyed at Scotchmen like Ramsay MacDonald coming in and taking the control of the country out of their hands and running the country for them, and naturally he is just a little bit sore.

I do want to turn to the speech Mr. Goldman delivered so eloquently. I was most impressed by this speech, Ladies and Gentlemen. In fact, I am going to follow the career of Mr. Goldman very, very closely. I see a great future in store for him. In fact, I can foresee he might even get into Congress. If he makes many more of the speeches he has just made, Huey Long will have to go out of business.

He seemed to take great pains to show you how the programs of the American radio were so very, very wonderful. I have no fault to find with the American radio programs. I think they are simply swell. Surely, after all, programs of the educational value of the kind that sent that great philosopher, Cab Calloway, to tell the world that startling moral truth that "Love is the Sweetest Thing," or even programs of instructive nature and educational value, of artists and people like Rudy Valee, that tell us—we never knew it before—that "Annie Doesn't Live Here Any More." So instructive. Now, Ladies and Gentlemen, how could I find fault with programs like that, I ask you?

Mr. Goldman tells us that they meet the needs of your people. Well, I only congratulate you upon having such wonderful needs and being lucky enough to find such excellent and distinguished people to satisfy, like Chesterfields.

Mr. Goldman said that he hoped I wouldn't be bash-

ful. Well, bashfulness was not one of my failings ever, and when he went on to make the mis-statements he did about the politics of Great Britain being bound up with our radio system and how, if you adopted our radio system, your system would be controlled by Jim Farley and politicians of that sort, I hope he is not thinking I am too bashful to let that pass. Even the coyest and most bashful little maiden would have to say something in defense, because it just isn't true. He told you of the awful things that might happen if Jim Farley—I haven't had the pleasure of meeting the distinguished gentleman—were to take control of your air and tell you N.R.A. bedtime stories. We are not debating that point. Supposing the British Broadcasting System were adopted by America, there is no more likelihood of Jim Farley telling the American radio fans N.R.A. bedtime stories than there is of President Roosevelt swimming the Atlantic Ocean and taking with him a little blue eagle.

He told us, we didn't have controversial subjects in Great Britain. Tut, tut, Mr. Goldman; we have, Ladies and Gentlemen. I have listened in myself to the most controversial subjects; debates between, for example, Ernest Bell and James Maxton, on the subject of whether capitalism has failed, James Maxton being the Norman Thomas of our country. Therefore, to say we do not have controversial subjects, when that is only one! We also have had debates on Imperialism, heard over the Atlantic Coast station, with Mr. Quigley Martin who is the most radical anti-imperialist you would hope to find anywhere in a blue moon, and on

the other hand a man like Reynold Renard, a dyed-in-the-wool old imperialist, and when those two men go and give a debate with one another on the air, when Mr. Goldman says we do not have controversial subjects, all I can do is say, Tut-tut.

He told us we have a terrible thing, censorship, by which people who made speeches had actually to present their speeches beforehand in order that they could be censored. Well, Ladies and Gentlemen, when I made my speech in St. Louis they must have thought I was a queer kind of a guy, because before I spoke I had to present a typewritten copy of what I was going to say. I said that I thought this was a country of free speech, liberty and blue eagles. They said, "We do have to just take care; if you should say anything indecent, blasphemous or anything of that nature, the Government would take matters into their hands and we would be sued for libel."

He told us, for example, we had only two programs in Great Britain, and if we didn't like to listen to garden talks we had to listen to some other vile programs equally as bad. We do happen to have fifteen wave lengths in Great Britain, I think it is fifteen, with fifteen stations. They are not all giving programs, but, roughly, every night we have a choice of ten programs so arranged that in any part of Great Britain, in the most distant Cumbrian Mountains, the most lonely Highlanders and the most lowly little farmers may have their choice of two programs, no matter how low powered or low tubed the set. That is more than can be said of America. At one point in our trip, on account

of the lowness of that part of the country, we could only hear one station. In whatever part of Britain you are, you can always hear at least two, and if you happen to have a strong powered set, you can get the whole fifteen, or rather, ten programs.

Finally, Ladies and Gentlemen, this Big Bad Wolf, Sir John Reith,—you would really think he is Arch-Dictator who rules the British people with a rod of iron. He is, let me remind you, Mr. Goldman, a servant of the British people. If he doesn't give satisfaction, out he goes, like Ramsay MacDonald or any other servant. So far he is giving satisfaction. He is only at the head of our organization, and I presume your organization isn't so chaotic but that you have a man at the head of it, I hope—at least one man or a woman at the head. That's all Sir John Reith is, the man at the head, and if he fails to give satisfaction out he goes tomorrow. Let's hear no more of the Big Bad Wolf.

Now, this question of international broadcasting given on unsponsored programs. Let me repeat—the distinguished gentleman couldn't have heard my first speech. We have no fault at all to find with your unsponsored programs. They are educational, instructive and cultural. We think they are first class, but we *have* fault to find with the means by which they are financed—the advertising system, which breaks in, although only into six per cent of the whole programs, I believe it is enough to drive any intelligent person crazy. Therefore, seeing your advertising system finances your good programs, you have to put up with six per cent bad programs to hear ninety-four per cent



good programs. My friend and I come here tonight to propose to you that in return for two dollars and a half a year—I grant you that far, no more—Mr. Goldman said three dollars; the next distinguished gentleman said four—but actually when the dollar is normal it is two dollars, at the present moment I grant you it is two and a half, so let it remain there. So, Ladies and Gentlemen, what we are saying is this: In return for this two dollars and a half tax every year, you will have one hundred per cent good programs, and no advertising, and not as at the present moment—ninety-four per cent good programs and six per cent advertising muck, plus all this chaotic confusion caused by competition between stations.

**Second Negative Rebuttal, David Goldman  
College of the City of Detroit**

LADIES AND GENTLEMEN: I refer to the advice which one of the speakers gave Mr. Macomber when he said he hoped that in the future he would have less fire in his speech and more speech in the fire. I can't help but think perhaps that is why the gentleman spoke extemporaneously. I want to take this opportunity to thank the gentleman of the opposition for the many complimentary things he said; I say that seriously.

Now, we laid down the fundamental proposition in this debate, Ladies and Gentlemen, there is no need and no necessity for changing the American system of radio control, especially when we consider what we are changing it for. For instance, can you imagine one

man or a group of men in the United States attempting to decide what one hundred and twenty-five million people, composed of Irish, Scotch, Italians, French, Germans, Russians, Norwegians, Swedish, bankers, gangsters, laborers—can you imagine one man or a group of men attempting to decide what each person should listen to? The United States Government tried to tell us for many a year what we should drink but they finally gave it up in despair. Now, the Affirmative comes in and says the Government should tell us what we ought to listen to. We believe if they should succeed in that proposition, there would be quite a bit of bootlegging in radio sets, as where Great Britain tunes in on the Continental advertiser broadcasting from France. You see, we haven't any corner on the sins of the world.

They tell you that the educational aspects of the American system are very fine, that some of our programs are excellent, and that all our unsponsored programs are excellent. Now, it just happens that our unsponsored programs comprise sixty-three per cent of all programs in the United States, eighty per cent of which are educational or informative in character, and of the remaining thirty-six per cent of sponsored programs, nineteen per cent of these are educational in character. There are times, I think, when some of us *like* to be told that Slack's Washing Machines are all right, and Cutie's Kissproof Lipstick is the best on the market. There are times when such things help.

The gentlemen of the opposition have made a rather lengthy dissertation on the fact that there was a place

in the United States where only one station could be heard. I wonder what radio he was listening to. There are, after all, in the United States six hundred radio stations covering the entire United States. It seems inconceivable that any good radio couldn't get more than one station. In England they tell you they could always hear at least two stations, at least two. I wonder what kind of radios they have there. At the present time in England, as the previous speaker has pointed out, they have fifteen stations covering the entire British Isles, and they are planning actually to have five stations cover the entire British Isles. In other words, five stations from which to choose that which you want to listen to, and if you can't listen to it, don't like it, tune in on French stations. That is the only alternative you have. The previous speaker said a great deal about this speech in St. Louis, how the speech had to be censored. Evidently they didn't know the speaker as we do. They would immediately, if they had known him, have seen he couldn't possibly have said anything indecent or out of place.

Now, if we could become serious for a moment, and this is rather a late time to become serious, I believe that after all there is a difference in the temperaments and tastes of the American and British radio listeners. As Mr. Macomber has put it, just as the gentlemen differ from us in manner of dress, the way they talk and their brilliant wit, so do our British and American radio systems differ. I think it is safe to say that in the United States we do receive some of the finest concerts in the world, and although it may be true that in Eng-

land they do receive likewise some fine concerts, there is no comparison between the two.

In England they only spend about two million dollars a year to present programs. That money wouldn't last six weeks in the United States. The American radio system spends hundreds of millions of dollars to bring into your home the finest talent available, the finest orchestras, the finest entertainers, and we therefore say that in that respect the American system is meeting the needs and the desires and the wants of the American radio listeners. I venture to say that the British system likewise meets the desires and wants of the British radio listeners, but it is likewise impossible to say that we should transplant the system that grew up in England to the United States—that is an impossibility.

**Second Affirmative Rebuttal, Michael Barkway  
Queen's College, Cambridge University**

LADIES AND GENTLEMEN: I hope that you won't think that Cambridge University has gained the reputation of sending a wit on its debating teams. This year they gave up in despair and hoped that as a last resort two half-wits would do instead. I hope that your charity will measure up with your hospitality.

Now, Ladies and Gentlemen, forgive me if I appear to be serious for a moment, but I think that both you and I have a right to demand in our opinions some measure of consistency. I am quite prepared to hear the British system incorrectly and unjustly attacked for being under political control, and the American sys-

tem defend itself for being free from political control. That at least I can bear and I bore it, but when I am told on the top of that that the great merit of the American system is that the great Roosevelt may get up whenever he likes and stir up your courage and allay your doubts, then I begin to wonder just precisely on what ground my opponents do stand. I thought under the American system the air is free to everybody or else it is a system under which the President may get up whenever he likes. I would ask the honorable gentleman the next time in which they debate together, if they are unhappy enough to have that happen again, to arrange between themselves some manner of agreement before they embark upon the debate.

Now, it has been advised as a great merit of the American system that anybody can say what he likes. Now, I don't know about you, Ladies and Gentlemen, but for myself I would rather have a group of responsible, well-educated and intelligent people maintain a fair balance between the representatives of every school of thought which is in any way reputable,—to have it maintain a balance between them to insure that half wits are on the whole excluded from the air, that criminals and lunatics are not allowed to broadcast whenever they wish to,—than a system under which, I take the honorable gentleman's word, anybody can broadcast whenever he likes. Of course, it seems a little mean that I should beat the gentleman at his own game, but I can't help reminding him of a certain gentleman, and I call him that through convention rather than through conviction, who was excluded from the Ameri-

can air; a person by the name of Dr. Brinkley who started a broadcasting station in St. Louis and broadcasted all hours of the day and night some patent cure-all for every disease, acquiring popularity dishonestly. Quite rightly, I am led to understand, he was removed from the United States and established a station just over the Mexican Border where he continues to broadcast dishonestly. The Federal Radio Commission was right in removing him, and I submit it would be right to exercise even more stringent control over people who are allowed to broadcast.

This Father Coughlin—Who is this Roman priest who dictates the political views of the American people every Sunday? I have no bias against Father Coughlin; I have never listened to him, but why should a Roman priest be allowed to dictate the political views of the American people to them once a week? I submit that it is better to have a system of radio control under which the representatives of different sections of opinion are reasonably balanced and a representative view is maintained. The honorable gentleman spoke of British advertisers who broadcast from Paris in order to broadcast their goods. Yes, I could tell the gentleman a great many other dishonorable things that British people go to Paris to do.

In conclusion, Ladies and Gentlemen, a Scotsman—we can't get away from them—and an Englishman were undertaking a walking tour in Scotland. It was brave of the Englishman, and they passed through a Scotch village where they came upon a sign post which read like this, "To Ulster Market, 10 miles; if you can't

read, ask the drug store keeper." Now, the Englishman saw this and it seemed to him a little funny. He laughed and the Scotsman looked at him in blank astonishment and said, "What on earth are you laughing at?" So the Englishman knew it was kind of hopeless to try to explain a joke to the Scotsman; he said, oh, it will come to him, and they walked on and they came to Ulster Market where they were to spend the night and they got a room in the hotel with two beds. They had been walking a lot that day and they were tired and went to bed early, and were fast asleep about ten o'clock. About two o'clock in the morning—my friend and I get on the train tonight, unhappy thought, about two o'clock—the Englishman was wakened by the Scotsman roaring with laughter. He was a little peeved about this and said, "What are you laughing at now, Jock, what's the joke?" Jock explained he had just seen why the Englishman laughed when he saw the sign post in the afternoon. So the Englishman said, "What was it, Jock, what did you think the joke was?" The Scotsman said, "Well, suppose the drug store keeper might have been out!" So, I can only hope, Ladies and Gentlemen, that the gentlemen of the Negative may wake up at two o'clock tonight and realize more clearly what it is all about.

### The Open Forum

*The Chairman:* The time is getting late and I must say my first reaction to this international debate has been to rather bear out a remark I had made to me the

other day by an American, who said, "It is a remarkable thing these two great English speaking countries, America and the British Empire, should have been on such friendly terms for hundreds of years." I didn't think that was so very remarkable. He went on to say, "It is remarkable, in spite of the fact they have similar habits, similar modes of living, in spite of the fact they speak so approximately the same language, that they are able to understand one another's insults."

Ladies and Gentlemen, these poor hard-working University men are leaving some time before two, for parts in the East, but I am sure they would be delighted to stay a little bit longer with such an appreciative audience, if you have anything you would like to fire at them. Will you please shoot?

*Question:* Does this \$2.50 a year tax support the entertainment you have on the air?

*Mr. Sharp:* Yes, entirely everything, not only that but very good profit too, which goes onto experimental work, such as television and other advancements in a technical sort of way of radio.

*Question:* Are all English jokes original?

*Mr. Barkway:* No joke is ever original.

*Mr. Sharp:* We have no copyright on them. If the distinguished gentleman would like to make use of them, he has our full permission.

*Question:* I would like to inquire whether in England you have the same style of debating as we have had this evening, plenty humorous, lots of jokes and not getting really down to brass tacks?

*Mr. Sharp:* Would you like a sermon? I really



don't know what to say. I think we are probably quite typical English-Scotch people, with that style of debating—good solid bread with a jolly lot of jam—a serious trend running through the speech with lots of attempts to keep the audience from falling asleep. That holds true in England. If on the other hand, you have a speech devoid of facts, also shallowly flippant, nothing but wit, it has no serious effect. You must try in any case to make it interesting. I don't say we have done it, but that is what they do in England.

*Question:* Might I say there was sufficient bread in the English speeches for me, but might I ask this question also: It is said the American radio appeals to the average intelligence of a nine year old person. Might I ask, are there any facts to show what the average intelligence of the radio program appeal is in Great Britain?

*Mr. Barkway:* My colleague might know—it appeals to a nine year old intelligence.

*Question:* I would like to ask whether or not they believe the British Government is a fit judge of what the people should hear? How are they going to tell whether or not the British Government is forbidding the proper people the right to speak over the radio? How to give the people the benefit of the radio, if they desire to hear those programs? Now, through our system in the United States, we are able to do so through our advertising sales. How are they going to do that in Britain?

*Mr. Barkway:* Ladies and Gentlemen, I don't know if you are very distressed, we being so flippant, but

we have been debating so often and at such close intervals, and we are so nearly through, we are beginning to feel a little flippant, as you might say. I would like to answer that question seriously. Firstly, the British Government does not control British radio, quite definitely not. As one of the men on the opposition said, the Postmaster General has the right at any time to demand the broadcasting of any material he thinks desirable, or to demand the exclusion of any material he considers undesirable, and frankly I believe any Government which does not have that right is criminally negligent of its responsibilities toward its people. I believe radio is that important that Government must have the right to take it over in an emergency, and only in an emergency. Only on one occasion has the British Government interfered with the British radio. Otherwise, it is controlled by the British Broadcasting Corporation which is a quite independent party. The Director General is appointed, as Mr. Sharp has explained, I think, by five Governors appointed by the Governor. He appoints the staff of the British Broadcasting Corporation and their judgment of the popular appeal of their programs is every means that there is in England. I know letters are written to the N.B.B.C., letters to the press, presenting criticisms. Criticisms are heard and I assure you from what I know of the British Broadcasting Corporation, they are exceedingly concerned to gauge the popular opinion concerning programs as much as they possibly can, and I believe honestly they have an exceedingly efficient means of doing so.

*Question:* Is it true that in some of your College debates, the audience decides the decision?

*Mr. Sharp:* The way we decide debates in England, we have four men take part. The first man speaks for the proposition, the second for the opposition, and so on, and then we have two big doors in our house—it is in a hall, horse-shoe shaped—two doors, one says “Aye” and one says “No,” exactly like the British House of Commons, modelled like that. At any stage in the course of the debate, after two speeches, the audience may leave the house whenever they want to. They may leave the house through the “Aye” door if they wish to vote for the proposition or they may leave through the “No” door if they wish to vote against the proposition. There are two men seated in the front row, called “tellers,” who tick off the numbers as the people go through the doors. At the end of the debate after everybody leaves the house, any who wish to hear the result may come back. It is always an audience vote on the merits of the question, not the presentation. If the question is that Socialism is a bad thing, then the audience votes it is a good thing or it is a bad thing. It doesn’t matter how the question has been presented.

*Question:* Now that the debate is over, may I ask our British visitors whether from the bottom of their sterling British hearts they really believe it would be good for our American system to adopt the British system of radio control?

*Mr. Sharp:* No, I don’t think it would, because I don’t think quite honestly with your political system,

which I believe to be full of graft, that you could work it.

*The Chairman:* Ladies and Gentlemen, we have had a most delightful evening's entertainment, considerably better than if we had been listening to the radio. You must realize the members of this team have been under very considerable strain trying to bolster up their own ideas on the subject, and the Chairman is also somewhat exhausted after his efforts, so I would ask that you close the meeting, and wish you all Good-Night.

### *CAMBRIDGE UNIVERSITY VS. CREIGHTON UNIVERSITY*

Editor's Note—In the following set of Negative speeches used in debate against the same Cambridge University team, the reader will gain an idea of the great contrast between the American and the English type of debating.

#### First Negative, James J. Gleason Creighton University

LADIES AND GENTLEMEN: In a day when industrial and political issues are widely and violently agitated it is the usual thing for questions of purely cultural significance to suffer eclipse. One educational matter, however, seems to survive the competition of more pressing affairs and to bid for public interest and judgment—that is the matter of American radio control. There is in the United States at present, a strong, well

organized minority who advocate the complete revision of the American radio system. Their energy is limitless, their efforts unceasing, their propaganda clever and effective. There stands no finer testimonial to their skill than the very fact that the radio question is the subject of so much widespread discussion, that it has been embodied in the proposition which college speakers are called upon for the year to debate. When I said a moment ago that this critical minority demand the revision of the American radio system, I was speaking mildly. What they actually suggest is the abandonment, the abolition of privately owned radio as we have it in this country today. They propose the substitution, in place of what we now have, of a system essentially the same as that employed by Great Britain and a number of other European nations. The British system is a government radio monopoly in the form of a quasi-public corporation in which the administration retains practical ownership and control. Every program that goes on the air in England is determined by a Director-general, chosen by the Governors of that monopoly. Advertising is prohibited, the system being supported by a tax of about two and a half dollars on each radio set owned by British citizens. This, in brief, is the system proposed for adoption by the United States.

Now Mr. Springborg and I have been called upon to discuss this question a number of times during the past three months, sometimes as defenders of the American radio arrangement, sometimes as advocates of the British centralization. The consequence has been that we

have some very definite ideas upon the matter, for debating, contrary to the opinion of Theodore Roosevelt and prominent educators, in no wise obscures a judgment. We have, as the result of our investigations and appraisals, come to the conclusion that the arguments for the British Radio System are untenable, and that the present American system of privately owned radio can, should and will be maintained. We are given this morning an opportunity of setting forth to you the reasons for this opinion.

Before taking up any objections it will be well to outline the character of the American radio system. It is, in contradistinction to the British, an arrangement whereby radio stations are individually owned, the cost of broadcasting supplied by commercial advertising, the programs determined by popular choice. Keep this in mind as we go on to a discussion of the proposed change.

Now the people who believe in the abandonment of our existing radio structure usually open the attack by deploring the fact that American radio is sponsored by American advertisement. Radio is, they say, a great public utility, designed for the service and the betterment of the population at large. This nobody denies. Then, they somewhat vaguely continue, it is unfortunate that this great public utility be in the hands of, under the control of, private individuals, private business, who exploit it to their own ends. It takes no course in logic to make a person conscious of a fallacy in such reasoning. In the first place, because radio is an instrument of popular service, it does not follow that

it should be governmentally, instead of privately, owned. Nor does it follow that connection of such an instrument with advertising and with business is in any way reprehensible. It would be interesting to take our radio monopolists and run over with them the long list of public utilities which are not governmentally owned, among which they would find such surprising items as education and religion. In order to suggest a change from our existing radio system, it is necessary for the partisans of monopoly to show this: that private management, advertising sponsorship is not giving to the American public the advantages which radio ought to give. They must prove, in a word, the desirability and necessity of a change—and when they undertake to do this their task becomes harder.

They usually begin by condemning radio advertising—On the grounds that it slights popular entertainment in the interests of business expediency. The advertiser is looking out for the sale of his own product, they say; what does he care what the public gets upon the air? When they say this they misunderstand the very character and essence of advertising as a system. When we say that American radio is sponsored by advertising we say, in fine, that it is a system of popular management. Advertising must, and does, give the American listener what the American listener wants. It requires no great perception to see that if stations are directed in their policies by the advertisers, the advertisers are in turn directed by the American radio audience. If advertising is the mainspring of American radio, it is a mainspring that the people can always

wind and bend and break. It must be clear to any thinking man that if the public is to direct the radio program, it can do so through no better and more sensitive medium than this very thing. Advertising must keep its finger upon the popular pulse; it must feel; it must perform every dictate of the popular will. Let it fail in a single instance to give the American public the radio program the public wants, and the thunderbolts of national opinion flash down and destroy. The recoil is swift and certain: oral disapproval, written remonstrance, and above all diminished sales—all of them spelling disaster for the offender. As Deems Taylor has put it, and he needs no identification to an American audience: "The radio as it exists in this country is one of the most completely democratic institutions in the world. The broadcaster far from ignoring vox populi is desperately anxious to catch the sound of it." Think it over, Ladies and Gentlemen, and you will see that under our present system of commercial sponsorship no Director-general rules the radio, no government committee rules it—you, the people, rule it directly and effectively.

What do our monopolists say now? Well, they back up a step or two. Granted, they say, that the present system gives the public programs which the public wants. That's just the trouble with it. It panders to the general popular taste which is always the worst taste. It degrades itself by satisfying the "hoi polloi." It seeks to entertain the American masses and the program sinks to its lowest possible level. It slights education and culture. It floods the air with cheap humor



and jazz. Save the radio we must in the interests of instruction, of enlightenment, and we can save it only by handing it over to a cultured government committee who will pick programs that are good for the public and stuff them down the public's throat. Well, we might agree that by the fruits of a system we shall know it. We might let the present American radio system stand or fall on the quality of its programs. Let us consider for a moment just what programs our radio gives us on the air.

It gives us, in the words of Captain Hooper, our chief of naval communications and therefore an impartial observer, "programs far superior to those of any other nation." Radio advertising as sponsor enlists the immense resources of American business in an effort to give the United States the best of broadcasts. America in any year expends upon her programs more than five times as much as Germany, six times as much as Russia, seven times as much as Great Britain. We get what we pay for. And America in proportion to her output receives radio programs which for quality, quantity, education, entertainment and sheer variety are without equal in the world. Do not be deceived by the argument that this expenditure is excessive and that the American public pays for it, whereas they would not with a government radio system. To be sure, this expenditure is reflected in the cost of American products, but it would be reflected anyhow. Businesses set aside so much to spend on advertising. They do it in newspapers, billboards and on the air. If the air is cut off from them they will advertise through one

of the other media. The choice is not between advertising and no advertising. It is between radio advertising which gives the public pleasure, instruction, entertainment, and printed advertising which clutters up magazines and newspapers.

Let us be more specific in our justification of the American radio program. Does it slight educational values? I have heard argued a number of times that it does. Yet I have never seen any evidence adduced to back up that assertion. All the evidence, as a matter of fact, is on the the other side. On January 7, 1932, the Federal Radio Commission, at the behest of Senator Couzens of Michigan began an investigation of American radio. Among other things they considered the comparative quality of American and European programs. Consult their report and you will find that in England educational broadcasts represent about five per cent of the total program. Authorities join in conservatively estimating, on the other hand, that the American program contains at least thirteen per cent of educational broadcasts. Now who is at fault, the American system or the British monopoly? In America over one hundred universities have licensed radio stations and almost fifty of them are now operating. It is a known fact, and one verified by the Geneva Union, that "throughout the whole of Europe not a single college or university owns or operates a broadcasting station." Besides the educational institutions that own stations in America, there are many others whom radio stations courteously supply with time upon the air. Creighton University, for instance, broadcasts

daily from an Omaha station the lectures of the professors of her various departments. It is through the kindness of a privately owned station that Mr. Springborg and I at this very time address you.

But our educational broadcasts do not come from colleges alone. Many commercial firms are educational. Who will forget that splendid half year series of programs dealing with adventures in medicine—a series sponsored by a manufacturer of medical supplies. In it were recounted dramatically the story of Pasteur and rabies, Koch and tuberculosis, Metchnikoff and bacteriology, Ehrlich and infectious disease, with many others in addition. Or that program of great episodes in history, when among others, we heard Napoleon stand trial for the extra-legal execution of the Duc Enghien, and heard the legal talent of America actually arrayed, Dudley Field Malone, prosecuting and Clarence Darrow defending. These are a few I recall. They were instructive in the truest sense of the word. They are representative. You hear their counterparts almost every week upon the air.

In what we might call education in current events the American program is supreme. We hear college debates upon questions of the day. We hear the great political figures from every land and every clime. We have heard Yen of China, Grandi of Italy, Tardieu of France, MacDonald of England, Stalin of Russia—these and countless others that slip my recollection. Only two weeks ago we heard Maxim Litvinoff, Soviet, then negotiating American recognition, speak over radio—not only heard him but heard him talk with

Moscow half the world away. We hear every American presidential convention and most political conferences. From time to time, the radio brings us our president explaining and outlining his policies. We are addressed by the speakers of every party, every organization, every movement in the land. What could be more educational in a practical way than that? And what other country under the sun can show such a record? When you hear people say that the American radio system is weak because its programs are not instructive, look up the facts—and you will agree with me, in the words of La Fount of the Federal Radio Commission: "The United States broadcasts more hours of educational programs than any other nation in the world."

Now there is a second group which attacks the quality of the American program because, they allege, it is deficient in musical value. They condemn jazz and affect a pressing need for sturdier, more classical themes. The American radio system, they say, falls short in this regard and should be, as a consequence, unceremoniously junked. Again they overlook the facts. Let us suppose for the sake of argument that jazz is bad, though it would be hard to convince the younger generation of that, and equally hard, I suspect to convince the old. Let us suppose that and what do we have. The radio program of London, and it represents we assume the urbane taste of Britain, according the B. B. Yearbook is sixty per cent jazz insofar as music is concerned. America is certainly not jazzier than that. And again where does the American system

and the British monopoly stand in the comparison? We hear as a matter of fact the best of classical melodies. All the American orchestras of note have been accorded time upon the air. We have heard them under the conductorship of such men as Walter Damrosch, Leopold Stokowski, Bruno Walter and Toscanini. We have heard singers such as Lucrezia Bori, Lawrence Tibbet, John McCormack, Lily Pons, and Feodor Chaliapin. What other nation can show like quality and like array of talent? Conclude with Deems Taylor, to whom we owe the operas, *The King's Henchman* and *Peter Ibbetson*, that: "Any unprejudiced analysis of radio programs on both sides of the Atlantic would show, I am positive, that in the number and quality of our serious broadcasts we equal Europe when we do not actually excel her. We broadcast just as much good music as any other nation in the world, more in fact because we have so many stations."

I have outlined, then, the chief objections leveled against the American radio system and have shown how they collapse under scrutiny. Advertising in radio is sound, desirable, productive. It gives us what we want and gives us the very best. The American radio program, so often and so acrimoniously condemned, is stronger in education, stronger in music, stronger in variety and entertainment than that of any other nation on the globe. Share my conviction, therefore, Ladies and Gentlemen, that we should maintain this radio system of ours and attempt no new, noble experiment.

Second Negative, George R. Springborg  
Creighton University

LADIES AND GENTLEMEN: My colleague, Mr. Gleason, has devoted ample time to a discussion of the undesirability of adopting the British system of radio control. He has demonstrated that such attributes of our American system as its opponents condemn are, as a matter of fact, attributable to our American temperament, and as such are entirely commendable. Finally, he has indicated that there is nothing essentially wrong with our American system or programs, and if there is, nothing would be gained by adopting the British system.

Now, for the time being, let us waive all consideration as to the desirability of adopting the British system, in order to turn our attention to a much more fundamental point—its practicability. For, no matter how desirable a change may be, little is gained by discussing such change if it appears that it cannot possibly be successful—if it appears that any attempt at its introduction will necessarily result in failure.

In considering the installation by the United States of a system similar to that of Great Britain, we must bear in mind the fact that the broadcasting problems of the two nations necessarily are entirely dissimilar. We must remember that the area of the United States is some thirty-two times that of Great Britain, and that while but twenty-one stations are sufficient to bring radio service to the British audience, more than six hundred are required in the United States. The value of all of these figures lies in the light they cast on the

problem of expense. From them we learn that no American radio system could operate on the five or six million dollars used by Sir John Reith, Director General of the British Broadcasting Corporation.

The Federal Radio Commission recently outlined several possible plans whereby our broadcasting systems could be operated under governmental control. One plan, calling for the installation of one thousand low-powered stations in the forty-eight states, was estimated to require an initial cost of one hundred twenty million dollars with an annual maintenance cost of one hundred million dollars.

Another plan, calling for one or more stations for each state and several high-powered stations for national coverage, would require, it was estimated, an initial investment of fifty million dollars, with an annual maintenance cost of the same amount. These estimates, furnished by the Federal Radio Commission, entirely omit, by the way, the expense involved in purchasing the present system; the cost of talent, amounting today to approximately forty million dollars annually; and the expense of collecting the radio license fees.

So, American taxpayers, your radio system, if we followed England's lead, would cost you from one hundred forty-five million dollars to two hundred seventy-eight million dollars the first year, and from ninety to one hundred forty-five million every year thereafter.

Does it seem wise, does it seem practicable to spend so much for radio when our Federal Government annually has a deficit of two or three billions of dollars;

when our public school system, through the reduction of tax appropriations for salaries and equipment, is on the verge of collapse; when our farm population borders on revolt; when our local, state, and national taxes have increased year after year until they have almost passed the limit of our endurance; and when some ten millions of our unemployed workers are facing privation and starvation?

Surely, Ladies and Gentlemen, we can find other and better ways of spending our money than for the radio, especially since the American radio system does bring us the best entertainment civilization has to offer.

We think, moreover, that great numbers of radio listeners, viewing the situation as we do, will not, without compulsion, buy licenses for their radio sets. In many cases, the failure to pay the radio tax may be due not to desire, but to necessity. At any rate we shall have, as do the English, a large number of bootleg radio sets. It is estimated by the British Broadcasting Corporation itself, an organization never too prone to criticise the English system, that in London alone there are more than four hundred thousand such unlicensed sets in operation. We are ridding ourselves of one form of bootlegging and law violation, and now the proponents of the British system would suggest that we adopt a plan which would introduce another form—radio bootlegging.

We have already indicated that the vast majority of the American radio public is satisfied with our present system, and we wish to repeat this statement for the sake of emphasis. The question of adopting the Brit-



ish system has become prominent, not through dissatisfaction of the masses, but through the activities of a small group of militant educators headed by the National Committee on Education by Radio, incited to action by the system's failure to give them what, in their opinion, would be adequate recognition.

Consequently, they have voiced their displeasure by harshly criticising the system for its lack of formal education.

Now, Ladies and Gentlemen, were we to grant the wishes of these radio drys, and give them a system similar to Britain's, we wonder what they would do with it. Whom would they secure to prepare the national education programs? Who would determine the national educational policy? Quite probably the only solution would be the creation of another department in our national government—a Department of Education. Curiously enough, the proponents of a government radio system contain a large number of strenuous advocates of a Federal Department of Education.

Disregarding all consideration as to the effect such a move would have on the influence of local educational interests, we turn to the question as to the practicability of preparing national educational programs. We seriously question the ability of any radio system to provide formal education for the masses.

Practical questions such as these arise in our minds: when the radio audience is composed, as it is, of all classes of individuals representing all levels of culture, how can this proposed national educational program benefit all equally? Will the educators talk to the in-

dividual who has his Ph.D., or will they speak in terms the seventh grade student may comprehend? If they endeavor to disclose the secrets of any science in the course of a few talks, will they adopt the view that their students have acquired firm foundation in the subject, or will they proceed to give the audience its groundwork?

In no case, can a plan of formal education which will interest and benefit the great majority of radio listeners be devised. It simply isn't practical.

Our system of private operation under governmental regulation, is typically American in practicability. Though sometimes justly criticised, it has many merits which the embattled lobbying minority refuses to recognize. Our system, contrary to the commonly accepted theories of most proponents of the British system, is not a haphazard, hit-or-miss proposition.

It came into being in 1927 with the passage of the Federal Radio Act, which, in the words of James H. Hanley, member of the Federal Radio Commission, "—is the product of an enlightened, alert, public opinion." That Act, the basis of the American plan of control and operation of radio, was the result of a long, deliberate, technical and detailed study of radio by the best minds of this country, and it was adopted by the unanimous consent of the American Congress.

We might pause to suggest that when the regulation of radio was before our Congress, the question of government ownership was thoroughly considered, and as decisively rejected. According to Mr. Hanley, vigorous protests by listeners against a plan requiring an

extra tax on our people, swamped Senators and Representatives. Our system is not a careless and chaotic affair. It is working, and the fact that forty-five per cent of the radio sets in use in the world are to be found in the United States indicates it is working successfully. Though a militant minority is able to find many faults with the system, the people, generally, are pretty well satisfied with radio reception.

In the words of Senator C. C. Dill of Washington, "A forward looking spirit on the part of most of those engaged in the industry in this country, and a liberal policy by Congress have brought radio to its present place. Since Marconi's feat of spanning the Atlantic with radio waves most of the great radio inventions, and by far the greatest radio developments, have been produced by American inventors and American business men. Radio, as we know it today is truly an American art, developed and used in the American way."

If we were to make the move suggested by those favoring the British plan, we should find ourselves facing the problem of what to do with these facilities produced and owned by our American business men and inventors. Only two possible solutions present themselves, and both are equally impracticable. Either we would pay private radio interests the value of their investments plus presumptive profits, made up of prospective business and good will; or we would not.

If we adopted the first alternative, that of paying a reasonable amount for the present system, the cost would be prohibitive; for it would place a tremendous

burden on every American taxpayer. Statistics disclose the fact that actual investments in equipment amount to fifty million dollars; so investments plus earning value would approximate one hundred million dollars.

If, on the other hand, we simply confiscated or condemned the present system with no compensation or inadequate compensation, our move not only would be illegal, but rankly unjust. By one fell blow we should visit destruction upon our fellow Americans who have devoted their lives and fortunes to the task of developing radio. Such an act may be excused only when it is necessary for the protection and preservation of society; certainly not so, when no appreciable good can come of it.

If there is anything wrong with our present system, it seems that the best thing for us to do would be to strengthen the radio structures we have already erected, either by acts of Congress or by appealing to the Federal Radio Commission; and not to cast aside as useless a working and workable plan for something entirely unproved and apparently impossible.

The British Radio Broadcasting System may or may not be satisfactory so far as the British are concerned, but we are thoroughly convinced that it is not the system for the United States. Mr. Gleason has adequately demonstrated that the system is altogether undesirable; and in concluding the case against its adoption, I have endeavored to demonstrate its impracticability. Mr. Gleason and I pride ourselves on being open to convic-

tion, but so far as the British system is concerned, we remain openly unconvinced.

We fail to understand why we should substitute that plan for one which has the popular approval of the radio audience of America, particularly when that plan is utterly impracticable. We still, in this day of dictatorships and worse, retain enough respect for the ideals of democracy and for the views of the majority, to allow the people their choice so far as radio is concerned; and not to force them to pay for something some didactic and dictatorial politician may think is good for them.

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BUILDING THE UNITED STATES  
NAVY TO TREATY STRENGTH

*A Practical Discussion*





# BUILDING THE UNITED STATES NAVY TO TREATY STRENGTH

## HOBART COLLEGE AFFIRMATIVE AND NEGATIVE

The following set of speeches was used in intercollegiate debates by Hobart college speakers against Union College of New York, Colgate University, also of New York, and the University of Vermont. Hobart won on the Negative and was defeated on the Affirmative, the debate with Colgate being non-decision. The same subject treated differently was used in several debates during the season.

The question as used by Hobart and other Eastern colleges was stated, *Resolved: That the United States Navy should be built to treaty strength.*

The Hobart speeches were contributed to *Intercollegiate Debates* by Professor John G. Van Deusen, Coach of Debate at Hobart College.

### First Affirmative, Matthew W. Gaffney Hobart College

LADIES AND GENTLEMEN: The significant words in this resolution are the words "treaty strength." In order to see just what they involve, let us trace briefly the background of the naval conferences since the World War. As you know, the United States inaugurated a great naval building program in 1915 and 1916, and after the armistice that naval program was continued. All the other nations were building too. In order to lead the world to disarmament we called the

Washington Arms Conference in 1922. At that time we had a navy comparable to that of any other country, and we were especially strong in battleships. At this conference we graciously agreed to a ten-year holiday in battleships, and agreed to limit the tonnage of capital ships to a 5-5-3-1.75-1.75 ratio. That is, Great Britain and the United States were each to have five thousand tons of capital ships, to Japan's three thousand tons, while Italy and France were to have one thousand seven hundred fifty tons respectively. At this conference no agreement was reached in regard to cruisers, destroyers, submarines, or airplanes.

After this conference both Great Britain and Japan began to build cruisers and submarines, and in 1927 at Geneva they refused to give up their superiority in these two classes although we had given up our advantages in capital ships in 1922. In 1930 the London Naval Conference sought to further limit armaments in the destroyer, cruiser, and submarine classes. Japan already had a ratio of 10-7 in these categories, and refused to forego her advantage. It was therefore decided to permit a ratio in these classes of 10-10-7 as between Great Britain, the United States and Japan. The holiday on capital ships was extended to 1936. At the Geneva Disarmament Conference in 1932, when the United States wished further disarmament, the other nations would not agree and only wished to give up those instruments of war which were entirely unsuited to their needs. We have done practically no building since the Washington Arms Conference. Figures for the close of 1932 show that Japan has built to almost

one hundred per cent of the amount of tonnage allowed her by the London Treaty. Great Britain has built to eighty-seven per cent of her allowance, while the United States has built but seventy-one and five tenths per cent of the amount allowed her. Present figures show that we are third in naval strength and fifth in the rate of naval building. This means that if we do no building we will be in fifth place in naval strength when the terms of the London Treaty expire in 1936, being surpassed by France and Italy as well as by Great Britain and Japan.

The United States can not in any sense of the word be classed as a militaristic nation. We have not entertained any proposals to adopt compulsory military training or to place every able-bodied male citizen in the army. Our chief interests are in agriculture, industry, and commerce. But in order that we remain in peaceful pursuit of these interests we must have security. And the insurance for that security is in a treaty-strength navy. Building a treaty-strength navy will not be providing for human destruction but for human salvation. We know that wars break out with surprising suddenness. In 1904 Japan attacked the Russian fleet before the Russian minister had even left Tokyo. Japan gave only twenty-four hours warning when she attacked the German fortress of Tsing Tao. Certainly our enemy will not pause and wait for us to get our defenses ready. If we are to win, we must be prepared beforehand.

Events on every hand assure us that international agreements are not being taken seriously by a greedy,

grasping, and selfish world. Today internationalism is dying, and a stronger nationalism is springing up to take its place. The foreign policies of every nation in the world belie the fact that their signatures are on peace treaties, disarmament plans, and international agreements to outlaw war. The League of Nations is powerless against this rising tide of nationalism. Japan and Germany have left the League, and Italy is threatening to leave also.

Internationalism is breaking down because of the unwillingness of the Allies to revise the peace treaties by diplomatic means. The defeated countries are dissatisfied with the *status quo* which has been imposed upon them. Revision must come, and since diplomatic and internationally legal methods have not been used, force is the only alternative left. Hungary desires the return of thirty million of her inhabitants from Rumania. Revision would transfer to Italy the territory which she feels justified in having. Jugoslavia is preparing to retain her window on the Adriatic. Germany is hamstrung by the treaties. She is cut in two by the Polish Corridor, an impossible condition for both countries. The German Minister of Propaganda makes no answer to the reports of German re-armament. No explanation is made for a substantial sum in the German budget for which no plausible use can be found. If Germany is sincere in protesting that she has fulfilled the treaty provisions calling for disarmament, why should she oppose arms control and inspection? With a zeal equal to that of the period prior to 1914, Germany's rulers of today are building a war machine

and a war spirit. Let moralists discuss her right to do so. For most of the world the situation holds grave practical dangers. The treaty revisionist group have found a leader in Italy. Germany is but in the background of the impending struggle between France and Italy for the hegemony of the Balkans. Today Austria is torn by an international secret war for internal political purposes between France, Germany, and Italy. The scale is tipped toward a European war. To ignore it is to be blind to everyday realities.

It is time the people of the United States realized this condition. The countries of today are so interrelated that a war between major powers of necessity involves others. Wars of any magnitude include the use of blockades. Blockades interfere with commerce and freedom of the seas. Both in the World War between France and England at the opening of the nineteenth century and in the last World War, the United States as the greatest neutral found its commerce attacked. In both cases we were forced into the conflict in defense of our commerce and the freedom of the seas. In both cases our navy was not adequate to defend that commerce. Any conflict in Europe is likely to involve us in a European war. We must have a navy adequate to defend our commerce.

The Monroe Doctrine and the Open Door Policy in China are vital to our foreign relations. History proves that we would not hesitate to resort to the use of armed force in the defense of either. At the present time Japan is the most menacing threat to our Open Door Policy. Recently an American firm, the Sungari Flour

Mills, was forced to close because of a discriminatory tax. At the present time the American consul in Manchuria is investigating preferred rates to the Japanese on Manchurian railways. Japan has disregarded the Treaties of 1922 made in Washington; she has travestied the League of Nations and the Pact of Paris fathered by Mr. Kellogg. The Russians believe that two months of a Russo-Japanese war would embroil the United States.

For fifteen years Japanese hostility toward the United States has been growing. Our possession of the Philippines was the origin of Japanese suspicion. Our annexation of Hawaii was met with a protest. They have not forgotten California's land laws nor forgiven our restriction of Japanese immigration since 1924. Our Open Door Policy is contrary to Japan's ambitions. Japan wishes neither peace nor disarmament. This was clearly shown in 1932 when the Japanese representative at Geneva said in regard to Mr. Hoover's disarmament proposals: "Their principle is unsound and it would be useless to discuss them in detail." General Kato, late of the Japanese army, spoke for many of his countrymen when he recently said, "This is not the time for honey-coated words or high-sounding phrases. Our enemy is the United States of America. Arise, exert yourselves, prepare for the coming Japanese-American war. We must chastise our enemy."

Luckily, in the last war we were protected from invasion by our allies. In the next war we may not be so fortunate. It is true that oceans on both sides flow between us and our potential enemies, but modern

science has reduced them to international rivulets. In 1933 Balbo flew a fleet of planes across the Atlantic and back, and Post again encircled the globe. During the last war the *Deutschland* made an undersea voyage to the United States. The ocean which formerly protected us in our isolation has become a military highway to be used by our potential enemies. We cannot afford to permit an enemy to land her transports upon our coast. Our national institutions are too sacred to be placed in jeopardy. We must have security. Security can be had only by a treaty-strength navy. The navy must assume the duty of protecting the coast-line, by patrols at sufficient distance to prevent the approach of enemy cruisers which may serve as a base for paralyzing air raids. We cannot wait to build several ships and train a war time force. At the first threat of war they must go on duty far at sea. Their watch can never be relaxed; their cruises will be long and the speeds maintained must be high because the waters to be covered are vast. The forces at sea will have to be sufficient to cope with a concentration of enemy cruisers. A small navy will be worth little or nothing. In the recent war games off the Pacific Coast the attacking squadron successfully bombed several large cities despite the fact that the defensive squadron had knowledge of their approach. A treaty-strength navy is a vital necessity to our national life, and it is imperative that we build at once.

The conditions we point out are not magnified. They are real. In view of this situation we must ask the Negative one question: With the United States in fifth

place in naval strength how do you propose that we defend ourselves in case of attack? Since you are against strengthening the navy, we believe the burden of proof is on you to provide some adequate means of defense. We ask that you immediately assume your burden.

First Negative, T. Conway Esselstyn  
Hobart College

LADIES AND GENTLEMEN: I shall center my opposition to this resolution around four points: (1) A treaty strength navy is not needed for defense; (2) We cannot afford to build our navy to treaty strength; (3) A treaty strength navy will benefit no one but a minority; (4) A more effective form of defense exists than a navy.

This country is exposed on all four points of the compass. To the north lies Canada with whom we have had over one hundred years of peace. We find it unusually hard to conceive of an attack from Canada with her eleven ships. She could proceed against us by land if the occasion arose. In this event our navy would have little bearing on the question.

Mexico meets us at the south. Her naval assets are as follows: five gunboats, a few smaller cruisers, a naval academy at Vera Cruz. Certainly we have nothing to fear from this source. Here too, an alternative would be an attack by land, but this is irrelevant to the topic under discussion.

During the Hoover administration, the United States renounced the role of the Big Police Power in the Caribbean, and in conformity with this, President



Roosevelt has announced that never again will this country countenance the policy of intervention. In other words the corollary to the Monroe Doctrine is dead. As a result of the Montevideo Conference a firmer tie of friendship unites the nations of North and South America than ever before. Hence there is no need of a treaty strength navy to protect us from Latin-American aggression.

To the east lies Europe. For quite some time France, Italy, and Germany have been devoting their attentions to their first loves: Central Europe and Africa. Their interests in the Western Hemisphere are insignificant when compared with those nearer their own shores. They have made no naval demonstrations against us, but, were they to execute a right-about face, they would lose whatever gains they have won in their own immediate vicinities. There is no indication that we will be attacked by France, Italy, or Germany, and hence there is no reason for a treaty strength navy as a protection against them.

The interests of both Great Britain and the United States are mutually congenial and are backed by over a century of peaceful relations. It is well-nigh impossible to picture a situation that would strain the affairs between these two countries beyond the point of amicable settlement. We do not need parity with our Anglo-Saxon brethren. Their navy is their own concern. We might be interested in their method of protecting the far-flung Commonwealth of Nations, but we need not be disturbed by it for we are largely contained within one hemisphere.

A treaty strength navy is not needed in the Pacific. Under the recent Hawes-Cutting bill and also under its successor now before Congress the United States has declared its intention to abandon the Philippines. As soon as we withdraw our political hegemony from the Far-East we will have gone far toward removing the seat of much friction between this country and Japan. As we remove these causes for friction we remove the possibilities of a Japanese invasion. In fact on January 23 of this year Foreign Minister Hirota declared in an address before the Japanese Diet that Japan fervently desires American friendship. He added that between the two nations there existed no problem which was intrinsically difficult of solution. Now having seen how vague and ill-founded is the theory that we are liable to be attacked, we must ask the supporters of a big navy whom they intend to fight and what they intend to fight about.

Let us turn our attention to the cost involved in building our navy to treaty strength. If we follow the Vinson program we will be subjecting ourselves to an annual burden of two hundred four million dollars a year. Unfortunately this is not the complete picture. Last year our government spent three hundred forty million dollars in maintaining a seventy-one per cent treaty strength navy. At this rate it would be forced to spend four hundred eighty-six million dollars in maintaining a navy built to full treaty strength. Adding to this the cost of construction we have at the moment of its completion the colossal sum of five hun-

dred seventy-four million dollars for building and maintaining our navy to treaty strength.

Frankly, I do not see how we can afford this gigantic naval program. On coming into office, Mr. Roosevelt turned his attention to the task of balancing the budget. This was done by economizing in every governmental department. Since March 4 of last year, the Department of Commerce has recalled one hundred six of its European attaches. The Bureau of Internal Revenue has discharged ten per cent of its employees, and other departments have acted similarly. There was a cut of four hundred million dollars in the Veteran's Relief Bureau affecting one million four hundred thousand men with average cuts of two hundred eighty-five dollars annually. This was not enough, however. An amusement and a sales tax were added by the government. Taxes were placed on bank drafts and increases were made upon those already levied on gasoline and incomes. There was still a deficit of one thousand seven hundred eighty-six million dollars and this was met by a great bond issue to the people of the United States. Yes, the budget was balanced—for a time. But at what a cost to the nation! And now with a new deficit already at seven billion and steadily mounting, it is obvious that we have absolutely no business to embark upon this big navy program which will unbalance our budget still further, jeopardize the stability of our government's credit, and necessitate an increase in taxation of a billion dollars.

Having thus observed the dire financial consequences attending upon building our navy to treaty strength, let

us now proceed to our third topic: *a treaty strength navy will benefit no one but a particular minority*. The interests of the Schneider-Creusot Munitions Firm include steel, fuel, and lumber companies, international banks, and newspapers, two of which are the *Journal des Debats* and *Le Temps*, the most influential of Parisian dailies. Both the Bethlehem and the Newport News Shipbuilding Corporations of this country recently admitted that they had influenced orders for battleships which would never have been built if the Geneva Disarmament Conference of 1927 had been successful. We have as yet little control over the manipulations of such private concerns. But there can be no question that in building to treaty strength we are primarily lining the pockets of an aggressive and particular minority who control public opinion for their own profit, and who deliberately block the Stalin-Mussolini plan for universal disarmament.

Finally, my friends, if this country can not feel safe without a lock on its door, is a navy the best lock that we have? Now the Negative wishes to make it perfectly clear that in their opinion there is absolutely no reason for an increase in any form of armaments. However, with the development of aviation proceeding at an unbelievable rate, it behooves us to pay due respect to this highly effective form of defense. The Armstrong Seadrome, or mid-ocean landing island costs but six million dollars—less than one-third the cost of a single cruiser. It is two hundred yards wide and over a quarter-mile long. Four of these anchored off both our coasts can accommodate planes enough to

annihilate the largest navy afloat. Such a lock can be purchased for less than the cost of maintaining a treaty strength navy for one year. Moreover, in a single year it will cost our government more to maintain a treaty strength navy than it will to produce a fleet of seven thousand planes which in time of war constitutes an impregnable defense, and in time of peace can be used for commercial purposes. Federal authorities are now turning their serious attention to startling improvements in this up-to-date system of defense, and if our opponents are really interested in this problem, we believe it is the part of wisdom to consider it in all its phases.

In substance, I have proved that in the first place we are immune from attack from the north, the south, the east, or the west. Second, we can not afford to build and maintain a treaty strength navy. Third, such a building program will aid only the munitions manufacturers. Finally, I have offered the development of aviation as a more effective system of defense than a navy. I can not assent to this resolution that our navy be built to treaty strength.

Second Affirmative, Arthur W. O'Brien\*  
Hobart College

LADIES AND GENTLEMEN: My colleague, the first speaker, has shown: *first*, that the world is armed and ready for war; *second*, that the United States with her

\* Deceased since debating for Hobart during the 1933-34 debate season.

far-flung interests could not preserve neutrality in event of a war not of our making; *third*, that both the Monroe Doctrine and the Open Door Policy of the United States are likely to engage us in war; and *fourth*, that only a treaty strength navy would be capable of defending our country, our commerce, and our possessions in event of war.

In further support of the question, *Resolved: That the United States build her navy to treaty strength*, I maintain: *first*, that the United States is financially well able to build and maintain a treaty strength navy; *second*, that the expense involved in its so doing would be much less burdensome to the people of America than it would be to the inhabitants of either England or Japan; and *third*, that competitive naval construction is best to be ended by our maintaining a treaty strength navy.

The Vinson Bill which provided for building the navy to treaty strength, and which was passed by Congress on January thirtieth of this year, stated the cost of building the navy to treaty strength to be at four hundred seventy-five million dollars; and since the construction is to be spread over a five year period, this represents an expenditure of ninety-five million dollars in each year of that period.

According to Assistant Secretary of the Navy Roosevelt the maintenance cost of the newly constructed ships will be about one hundred million dollars a year. Thus the total cost of building our navy to treaty strength, and of maintaining the newly constructed units will be ninety-five million dollars a year for the

next five years, and one hundred million dollars a year thereafter.

The fact that Congress has already provided for building the navy to treaty strength by 1939 is in itself sufficient indication that the American people need a treaty strength navy and that they can afford to build one, as is the statement of President Roosevelt that it is the purpose of the United States to build and maintain a navy second in strength to none—a treaty strength navy.

President Roosevelt is well informed as to the needs of our country and as to its financial condition, and if he thinks that a treaty strength navy is necessary and that the American people can afford to build one, I, for one, am content to abide by his decision. As between statisticians who will undertake to convince us that we are not able to build an adequate navy and the practical, common sense judgment of the President of the United States fortified by his knowledge of the country's condition, based upon his experience as Assistant Secretary of the Navy, I much prefer the judgment of the President.

Due to fluctuating rates of exchange, and to differences in the cost of labor and material, it is impossible accurately to judge the comparative costs of ship construction between the United States and Japan or between the United States and England. But on the basis of tonnage allotments under the London Naval Treaty a fairly close approximation can be reached. According to Admiral Standley the total annual cost of a treaty strength navy will be about four hundred fifty

million dollars. Since Japan is allowed seven tons for every ten tons of ours, it follows that if the costs of labor and material were the same, it would cost Japan about three hundred fifteen million dollars a year to build and maintain a treaty strength navy. But Japan proper has a population of only sixty-four million; so the per capita cost of a treaty navy to the people of Japan would be about five dollars, while the United States, with a population of over one hundred twenty-two million, would pay an annual per capita cost of about three dollars and seventy-five cents, or twenty-five per cent less than the amount paid per capita by the people of Japan.

Under the treaty, England is entitled to a navy equal in size to ours, and therefore approximately equal in cost. But the population of the British Isles is only a little over forty-six million as compared with our population of over one hundred twenty-two million, and this being true, the per capita cost to England of building and maintaining a treaty strength navy would be nearly three times as great as it would be to the people of the United States, or about eleven dollars per capita per year.

But there are other considerations of even greater importance than those of per capita cost in which the American people have a decided advantage over their co-signatories. Not only is the population of the United States greater than that of Great Britain and Japan proper combined, but the national income of the United States, according to the National Industrial Conference Board, is greater than the combined na-



tional incomes of Japan and the British Isles; and, according to the *World Almanac*, the national wealth of the American people is two and one-half times as great as the combined national wealth of England and Japan. In addition, the gold holdings of the United States on June 30, 1931, were seven times as great as those of the British Isles, and twenty times as great as those of Japan.

Since the population of the United States is greater than that of the British Isles and Japan proper combined, and since our national wealth is two and one-half times as great as that of both countries, while our national income and our gold holdings both exceed by far the combined gold holdings and national incomes of England and Japan, can it be truthfully said that the United States is not able to build a navy equal in tonnage to that of England or to the 10-7 ratio with Japan?

War might not be imminent at the moment, but world conditions are explosive. The wise man insures against the possibility of loss, and so must the wise nation. The progress of the world has not served to remove the possibility of war. The bloodiest conflicts in the world's history have been fought in the past three quarters of a century, and the most highly civilized nations have been parties to the conflicts. The people of our own nation have engaged in two of the bloodiest wars in history within that period, and both times have suffered enormous losses because they were not prepared for war. Ex-President Coolidge, that most distinguished Vermonter, stated that during the last

war the United States lost two billion dollars and thousands of lives because she was not prepared for war. Such losses must not be repeated. My colleague has shown that only a treaty strength navy will constitute an adequate insurance against their repetition, and when it is considered that the cost of a treaty strength navy represents less than two one-thousandths of one per cent of our national wealth, I am sure you will all agree with me when I say that the United States can and must afford the insurance offered by a treaty strength navy.

We are spending billions of dollars in an effort to restore national prosperity, and it is only reasonable that our navy should be built to treaty strength to protect that prosperity when it has been recovered, particularly when naval construction contributes so directly and substantially to recovery.

As Henry L. Roosevelt, Assistant Secretary of the Navy, says, "We must remember that eighty-five per cent of the cost of a man-of-war goes to labor, and the remaining fifteen per cent is spent for material purchased in every state in the union!"

That means unemployment relief, men and their families taken off the relief rolls, the very purpose the government is seeking to accomplish by its Public Works Program. Is it not a wise economic policy which provides for the relief of the distressed, lifts the burden imposed on the taxpayer for relief, and at the same time makes provision for the national defense?

In conclusion, we say that the surest way to discourage competitive naval construction and to thereby re-

duce governmental expenditures for defense is for the United States to build and maintain a treaty strength navy.

As my colleague has pointed out, disarmament by example has failed. The only nation to disarm in the past has been the United States; all other nations have continued to increase the relative strength of their navies. Does this mean that disarmament is impossible of attainment? No. But it does mean that if the United States really wants disarmament she must adopt practical methods of attaining that end, and we maintain that the building of our navy to treaty strength is the only practical method of bringing the nations of the world to disarm. We base our contention upon the fact that naval allotments by treaty are fixed on the *status quo* naval strength of the various nations. That is to say, if the United States, England, and Japan were to possess respectively one hundred tons, one hundred tons, and seventy tons of naval tonnage, and were to reduce their tonnage by treaty, their reductions would be made so as to maintain the 10-10-7 ratio. That was the basis of tonnage allotments under the London Naval Treaty, and, if the United States builds to treaty strength, that ratio will be maintained by the next naval treaty in 1936.

But suppose the United States fails to build to treaty strength and goes to the next conference with only eighty instead of one hundred tons, as she must if she fails to build in the meantime. Japan and England will both have built to treaty strength and will possess respectively seventy and one hundred tons. The tonnage

allotments by that treaty will be fixed on the *status quo* basis at a ratio of ten for England, eight for the United States, and seven for Japan, and the United States will have lost her parity with England which could be regained only by an unrestricted naval race.

But assume that the United States is willing to sacrifice her parity with England and to accept the 10-8-7 ratio of naval strength. Would the United States by acknowledging the superiority tend to discourage competitive naval construction?

No. Japan wants parity with the United States and the only way she can secure parity is from treaties based on the *status quo* strength of navies. Count Soyeshima of Japan says, "Japan cannot engage in an unrestricted naval race," and adds that Japan's only hope of getting parity with America is to secure advantageous treaties based on the *status quo* strength of navies.

As I have pointed out, America, by failing to build to treaty strength, will be forced to accept a 10-8-7 ratio under the next treaty. Japan will reason, "We gained an 8-7 ratio because the United States is too thrifty to build a great navy. Obviously the way to gain parity—or superiority—is to insist on even greater tonnage allotments under the treaty of 1936." That is logical reasoning; it is the reasoning which the Japanese will employ, and increased tonnage allotments will result.

On the other hand, if the United States builds to treaty strength neither England nor Japan will gain one iota of relative naval strength by the next treaty. Since

naval strength is purely relative there will be no incentive for insisting on larger tonnage allotments, but for proportional international downward revision in the interests of economy.

The Honorable Claude G. Swanson, Secretary of the Navy, said recently, "The best way to disarm Great Britain and Japan is for the United States to build to treaty strength." Our distinguished Secretary of the Navy was right when he made that statement, but he might truthfully have said also that the only way to disarm Great Britain and Japan is for the United States to build to full treaty strength.

**Second Negative, Albert G. Zink  
Hobart College**

LADIES AND GENTLEMEN: A treaty strength navy is contrary to American policy because the United States is committed to a policy of disarmament. Referring to the Washington Arms Conference, Secretary Wilbur said, "The purpose of this government in calling the conference was to terminate competitive building programs and to limit armament by agreement."

On February 10, 1927, ex-President Coolidge said concerning the three-power naval conference of that year, "Far reaching building programs have been adopted by certain powers and there has appeared in the United States and elsewhere the sentiment urging naval construction on the ground that such construction was going on elsewhere. In such sentiment lies the germ of renewed naval competition. It has been

the hope of the American government that a favorable opportunity might present itself to complete the work begun at Washington, and the present moment seemed particularly opportune, since the earnest desire of the nations of the world was to relieve themselves in as great a measure as possible of the burden of armaments and the dangers of competition."

Mr. Hoover believed that the London Naval Treaty of 1930 would bring about the "final abolition of competition in naval arms . . . and the burial of fears and suspicions which have been the constant product of rival warship construction."

President Roosevelt said on May 17, 1933, when speaking of the Geneva Disarmament Conference, "This government believes that the program for immediate reduction of aggressive weapons now under discussion at Geneva is but a first step toward our ultimate goal. We do not believe the proposed immediate steps go far enough. Nevertheless, this government welcomes the measures now proposed and will exert its influence toward the attainment of further successive steps of disarmament."

Thus we see that at the four major arms conferences since 1920 the policy of the United States has been one of disarmament. It does not seem logical that the United States should alter an established policy on such an important subject.

A treaty strength navy is contrary to American policy because it will inaugurate another armament race. The Roosevelt-Swanson program caused the Japanese immediate alarm. Captain Sekine of the

Japanese Naval Press Bureau said, "If a country which has not felt anxiety with its existing naval strength carries on a large building program it will be impossible for Japan to remain a passive spectator." An editorial in a Japanese liberal newspaper, the *Osaki*, states, "The American naval program, though well within treaty limits, betrays the spirit of the London Treaty since it encourages an armament race and renders future agreement difficult."

The British government told Norman Davis recently that the American naval building program might make a bad impression on the other nations on the eve of the disarmament conference. This was qualified by a statement that there might be apprehension in Britain if a naval race developed between Japan and the United States, in which case Britain would be forced to enter the competition. In fact, on November 14, 1933, Sir Bolton-Moncell, first Lord of the British Admiralty, announced a substantial addition to the British naval program of 1933; and in the recently issued British budget, provision is made for cruisers, to be completed in 1936, in excess of treaty strength—both of these actions as a decision to follow the United States and Japan which had begun building larger and heavier cruisers. Is it not significant that Japan and England announced their intention to build *after* the United States had inaugurated her naval building program?

The plan of the Affirmative will make another war inevitable. The growth of the German navy, starting in 1900, was the principal source of antagonism between Great Britain and Germany. In 1906 England

invented the dreadnaught, and on her completion Admiral Fisher and the British press announced that she was capable of sinking the entire German navy. The Kaiser observed, "Such statements have forced the German government to begin building vessels of a similar type to satisfy public opinion in Germany." After perusing the new German navy law, Mr. Churchill said, "The naval increases are serious and will require new and vigorous measures on our part." Thus we find, increase of armaments produces increase of armaments. There is no exception to this law. Nothing charged the pre-war European situation with such hate and fear as did this big navy race of England and Germany. Our opponents say they want a large navy to guarantee peace. For over a decade England and Germany were engaged in the peaceful occupation of building battleships, and it led to the greatest war in history. History will repeat itself if the plan of the Affirmative is adopted.

Article XXI of the London Naval Treaty states that the nations of the world fear an armament race as the cause of war. If America rebuilds, she will inaugurate another armament race. Owing to the general conditions existing today, preparing for war seems a highly dangerous method of preparing for peace. If we enlarge our navy, other powers will wonder. Wonder creates suspicion and suspicion will lead to attack. The plan of the Affirmative will involve this country in the greatest war in history.

But the United States has renounced war as an instrument of national policy. In 1928 a new Franco-



American arbitration treaty was signed which has in its preamble the statement that both powers were "eager by their example not only to demonstrate their condemnation of war as an instrument of national policy in their mutual relations, but also to hasten the time when the perfection of international arrangements for the pacific settlement of international disputes shall have eliminated forever the possibility of war among any of the powers of the world."

When on August 27, 1928, the United States signed the Kellogg Pact, outlawing war as an instrument of national policy, the late Calvin Coolidge made the following notable denunciation of war, "The very essence of war is destruction. It is the negation and antithesis of human progress. No good thing ever came out of war that could not have been better secured through reason and confidence." We can see no reason why our government should make so complete a reversal of its policy only six years after signing the Kellogg Pact. If our sincerity and honesty is questioned when speaking of disarmament and peace, will this not make disarmament and peace more difficult to secure at a future date?

Lastly, a big navy is contrary to America's policy of neutrality. Our refusal to join the League of Nations was based on the assumption that we had nothing to do with European quarrels. It is quite in line with this reasoning that ex-President Hoover said, "The revision of the Versailles Treaty is purely an European question." We must let Europe dig herself out, and if and when she is ready to disarm we must not block that

readiness by having a great naval establishment of our own.

We do not need a treaty strength navy to carry out our policy of disarmament. We do not need a treaty strength navy to carry out our policy of neutrality. What the policy of the Affirmative really means is that we should have a large navy for the next war, and such a policy will make the next war inevitable. Past experience has always shown that the arming of one nation leads to arming by another, and an arms race inevitably leads to war. If we embark upon a treaty strength building program which will engulf the world in blood, we are criminals of the worst kind. Germany's withdrawal from the League and the general unrest in Europe have created a tension which requires only a spark to set off. In times like these it behooves us to keep our heads, to exert all the pressure possible in the interest of peace. This cannot be done by building a treaty strength navy.

**First Negative Rebuttal, Albert G. Zink**  
**Hobart College**

LADIES AND GENTLEMEN: Our opponents have said that "war is inevitable. The United States will be involved in a war." It must either be because some other nation attacks us or because we are the aggressor. Let us see what would lead another nation to attack us. Our foreign policy is founded on four doctrines. *First*, our policy of isolation. No one can say that an isolation policy would lead us into war. *Second*, is our

policy of using arbitration. This is likewise a policy directed toward peace. *Third*, is the Monroe doctrine. In its new interpretation as announced by President Franklin D. Roosevelt it implies only opposition to intervention by any nation, the United States included. All of Latin America has definitely announced its support of this policy. No power has intimated any sort of opposition to it. *Lastly* is the Open Door Policy in China. Every major power in Europe is concerned with maintaining the Open Door. The trade of every European Power with the Orient is enormous. Moreover, Russia has every reason to see that Japan does not interfere with trade in the East. And how about Japan—with her people paying taxes averaging thirty per cent of their incomes to pay for past wars—is Japan in a position to make war on the United States? Japan exports ninety-five per cent of her silk, and forty-five per cent of all her exports to us. She would sacrifice an enormous trade advantage by making war on the United States, and to what end? All these facts lead to but one conclusion. The United States is not in danger of attack because of her foreign policy.

Now turning to the second phase, the Affirmative has implied its opposition to war. We have shown that we are not likely to be attacked, therefore, the only way we could become involved in a war is as the aggressor. In all our past history it has been the United States who has declared war first, and has done so on the faith of her offensive strength. To the extent that we decrease our offensive strength, we decrease the possibility of the United States becoming an aggressor and

hence the possibility of war. Our navy is our only offensive force. If the Affirmative is to be at all sincere in its implied opposition to war, there is no logical path open to them other than the reduction of the navy.

Our opponents say that we must have a large navy to "protect our commerce in time of war." The last war cost us nearly four hundred thousand men and about thirty-nine billion dollars, (excluding unpaid war debts). The Negative fails to see how any trade or territory is worth this sacrifice. Will the Affirmative please enlighten us? Exactly what do they mean by building a treaty strength navy in order that in time of war we can protect our trade advantages?

Our opponents say that "A treaty strength navy will aid national recovery." A thing is useful insofar as it fulfills the purpose for which it was designed. The navy is designed for the purpose of war and is useful insofar as it is destructive. War never aids national recovery. War is destruction of life and property. It is the disruption of all that is constructive in our civilization. It aids only the munitions makers. If the Affirmative is sincerely interested in aiding national recovery, we will work with them to bring into effect the cancellation clauses which go with all government war contracts. The money can then be used on such projects as improvement to rivers and harbors, aids to education, removal of slums from our cities—a policy already adopted by the Argentine—reforestation, reclamation of arid lands, draining of the swamp lands in the South, aids to bankrupt municipalities, development of aviation, improvements on highways. All of

these are far more productive endeavors than is a treaty strength navy.

Our opponents say, "build a navy to maintain peace." This topic has been thoroughly examined by Dr. Frederick L. Schumann, outstanding authority on international relations. In substance Dr. Schumann states that no single nation is capable of perpetuating peace through a preponderance of arms. The distribution of population, resources and power between the three score sovereignties of the world is such that no one of them can impose its power on all the others. If each seeks security through a preponderance of arms, a competitive armament race takes place. The inevitable war which results is appallingly murderous and destructive. So obvious has this become in recent decades that no one adheres any longer to the view that arms insure peace save our opponents, a few diplomats interested in maintaining the *status quo*, and a few militarists together with munitions makers who feel obliged to disguise their trade in death in the white robes of peace.

**First Affirmative Rebuttal, Robert W. Nellis  
Hobart College**

LADIES AND GENTLEMEN: I wish to ask the Negative only one question: How can any state safely reduce its armaments or remain in a weakened condition while its rivals and potential enemies remain armed?

It is not necessary for us to show where or with whom war is coming. In the early days of 1914, no

one could tell where the war was coming from or who was going to fight in it.

If we build our navy to treaty strength, we should not offend any nation, because the London Naval Treaty gives us the right to do this. The London Naval Treaty is part of international law and we are obliged to carry out the provisions of that treaty or any other treaty which puts obligations on us. The treaty was made to bring peace, not war, therefore, if we build, we are within treaty rights and are carrying out international law.

The Negative erroneously states that we wish war. We wish peace, not war. We wish a realistic peace, not idealistic thoughts of peace. We desire peace, but we have shown that peace cannot be brought about by the Kellogg Pact with all its exceptions, by the League of Nations, with its unused economic and militaristic sanctions, or by the Stalin-Mussolini disarmament proposal. We of the Affirmative doubt greatly if Russia, Italy, and Germany, the advocates of this plan, sincerely believe it to be workable. If Russia believed it would be universally adopted why did they send Commissar Litvinov on a world tour in order to put Russia on friendly terms with the United States, Italy, and the Balkan states? Because Russia wished security, security for the next war. If Italy believes in the Stalin-Mussolini disarmament plan, why are they fighting for equality with France, and why is the government advocating mass production of the race? It is because they too wish security in the next war. And, finally, if Germany thought this plan would work, why

did they drop out of the League, and why are they insisting upon equality in arms? No peace plan has yet worked.

War is brought about by threats of rights, insults of honor, seizure of possessions, and breakage of neutrality. With a treaty strength navy no nation could threaten our rights, insult our honor, threaten our neutrality, or seize our possessions. In other words, we shall remain a peaceful state and a neutral state, even with a war raging around us.

Frankly, we are amazed at the implication that war is not inevitable. That assertion made in the face of Germany's cry, "Germany above all," of France's insistence upon the enforcement of the Versailles treaty, of Italy's complete program of preparedness, of Japan's boast, "Japan will rule the world in fifty years," and similar war signs in every part of the world, is most daring. War is no more to be ended by meaningless assertions than is crime by the repeal of our laws. It must be remembered that a treaty strength navy is an insurance against the possibility of war, and unless my opponents can prove to our satisfaction that war will never occur again, I submit that insurance to be necessary.

Ex-President Hoover, Quaker though he was, said, "The first necessity of our government is a navy so efficient and strong that, in conjunction with our army, no enemy can ever invade our country." President Roosevelt proposes a navy second to none, and now under his administration a treaty strength navy is being provided for. Congress has already appropriated

the money for this navy. In view of these facts we may well conclude that for several years it has been the policy of the American government to have a strong, efficient navy.

The Negative advance the argument that building up the navy makes for war. This is not true. We must go to the underlying nature of man to find why men fight and quarrel. Man, by his basic configuration of desires and impulses, is fearful of and pugnacious toward those who are not like him. As a result of this, national cultures come into existence—each culture being loved and honored by its own state, and hated and feared by others. Nationalism, along with imperialism and capitalism, made each state more and more individualistic until we have our present state system.

The navy is not a cause of war, it is an instrument of war. If we are to eliminate war as an instrument of national policy, we must first change the fundamental nature of man. We must remove the underlying causes of war first, and until that time, let us be prepared.

**Second Negative Rebuttal, T. Conway Esselstyn  
Hobart College**

LADIES AND GENTLEMEN: Our opponents have said that we need a large navy because we are going to be involved in a "war for the protection of our possessions." One of our most important possessions is the Philippine Islands. Our opponents' contention that they would be attacked is ridiculous. The only nation



which has cast an eye in their direction is Japan, and she would attack the Philippines for the sole purpose of removing the United States. By the Hawes-Cutting bill, and also by its successor we have declared our intention to withdraw. With the United States out, Japan would have no reason to attack them.

We do not need a treaty strength navy to protect the Virgin Islands, or Porto Rico. Hawaii is nearer to us than any other power and also is sufficiently fortified.

The Panama Canal is fortified as well as human ingenuity can accomplish this feat. Moreover, there is not a commercial nation in the world that would not join with us to keep open this great artery of the world's commerce. The rest of our possessions do not invite attack.

Our opponents go on to say that "war in Europe will involve the United States." Our opponents have totally disregarded our argument. We have proved that we will not be involved in a war to defend our foreign policy or our possessions. To say that a war in Europe will involve the United States is to say that the United States will become an aggressor. If the Affirmative opposes war, they must also oppose the potential causes of our aggression, in other words, a treaty strength navy.

Our opponents say that we "can afford to build a treaty strength navy." How can the Affirmative sincerely contend this? Since March of last year our national deficit has reached seven billion dollars and is steadily mounting. In building to treaty strength we withdraw from our mines, our forests, and from our

people resources and energy which can never be replaced. And to what end—that after the next war a further repetition of our folly might not be necessary? We wish we could agree, but we cannot. More certain is the fact that this program will intensify the armament race already underway. Most certain is the fact that the result will be war and incalculable economic waste.

Our opponents go on to say that a big navy will be an effective instrument of “bargaining power” at the next conference. If what the Affirmative means by bargaining power is to build to treaty strength in order to force disarmament and maintain peace as a result of the next conference, isn’t it better to disarm in the first place? If the Affirmative agrees with other nations of the world that bargaining power means to out-build every competitor, then this is not bargaining power, but an arms race, and an ultimate clash. If by bargaining power the Affirmative means to build so high that no nation can reach us, then they will have created a hotbed which will force emulation and which will also terminate in war.

Our opponents say that we need a navy for the “protection of our commerce.” Let me ask the Affirmative; between the years 1925 and 1929, a period which was the most prosperous this country had ever known, just what did the navy do to protect our foreign trade? And while we sit in this room, what is the navy doing to protect our foreign trade? In answering these questions, I hope the Affirmative bears in mind two things; *first*, that during the period just mentioned, our foreign

trade flourished most exuberantly in the presence of a very small navy; and *second*, the United States is, in point of fact, the sole producer of certain commodities in the heavy industries, certain low grade textiles, and certain farm products—one of the most important of which is tobacco. By building to treaty strength we will further aggravate the unsettled condition of the world, and in the chaos which will inevitably result, the trade which the Affirmative seeks to protect will no longer exist.

Our opponents say that a treaty strength building program will not start an "armament race." The armament race provided for in the escalator clause of the London Naval Treaty which was discussed by the second speaker for the Negative, is already underway. Great Britain's budget for 1934 calls for cruisers in excess of treaty strength to be completed after the treaty expires. Japan has expressed great alarm at our proceedings. Brazil, who has never figured before in the naval family, has announced a tremendous program as a result of ours. Do the Affirmative expect to stop the race by continued building, and if so, how? It will be a novel twist in human affairs if intensifying an evil situation cures it. The only cure is one which must be applied immediately—stop building in order that war may be avoided.

Second Affirmative Rebuttal, Arthur W. O'Brien  
Hobart College

LADIES AND GENTLEMEN: The argument of the Negative that an international race for naval supremacy will result if the United States builds her navy to treaty strength must severely tax the credulity of the average listener. The common knowledge that the London Naval Treaty provides a definite quota of naval strength to each of the three major maritime nations should alone serve to discredit such an argument for it is obvious that neither England nor Japan would be so rash as to build beyond treaty strength tonnage. To do so would be to invite the suspicion and economic discrimination of the world as a whole. Moreover, the fact that both England and Japan had launched programs for building their navies to treaty strength long before the American program was announced shows clearly that the United States will not, and for that matter cannot, inaugurate an arms race by building her navy to treaty strength. The London Naval Treaty was created to stop a naval race. It would be strange, indeed, if by following that treaty to the letter we should produce that which it was designed to prevent.

The Affirmative contends that the opposite is true—that naval competition can be best ended by our building to treaty strength. In our constructive argument we showed first, that naval strength is purely relative; and second, that tonnage allotment by treaty is decided on the *status quo* strength of navies. We showed

that the United States by building to treaty strength would dispose of any opportunity for Japan to make relative gains in naval strength as she did under the London Treaty. When it becomes obvious that the United States is willing and determined to maintain her proper ratio, the incentive to Japan to insist on larger tonnage allotments will be ended, and common sense will dictate a proportionate international downward revision in the interests of economy.

In answer to our question, "With the United States in fifth place in naval strength, how do you propose that we defend ourselves in case of attack," the Negative has suggested the addition of an air service to our present navy. In doing so they admit the need of something stronger than our present navy as a protection against invasion—a need which they most emphatically denied earlier in the evening, and I submit that their admission proves the point of the Affirmative that the United States is in danger of attack and that a second best navy would not be sufficiently strong to repel such an attack. Therefore, the Affirmative to complete its case has only to disprove the adequacy of an air service to the needs of our country. Beverly Nichols, in his book *Cry Havoc*, states that in the most recent defense of London air manœuvres, out of a total of two hundred fifty airplanes which took part in a night raid on London, only sixteen were even discovered by searchlights, let alone shot down. Defense planes were, of course, helpless in the dark. This happened when the city was prepared for the raid. According to Mr. Nichols, every world authority but one

agrees that one hundred planes or less could completely wipe out any existing city together with most of its inhabitants in one night raid. Airplanes are of no use in defense against air raids by night.

Nor are airplanes of any real value in resisting invasion by an enemy naval fleet. This is true for a number of reasons. *First*, the pilot of a bomber has no sure means of gauging his speed or direction if he is not in sight of some stationary object, and a moving battleship six hundred miles at sea is not a stationary object. The pilot, therefore, has no means of aiming at his target. *Second*, battleships hidden under a smoke screen are invisible to enemy aircraft. *Third*, anti-aircraft guns on battleships render them practically immune from a sufficiently close approach of a bomber to do damage. *Fourth*, but by no means last, battleships are equipped with bomb-proof decks so that even if a pilot should make a direct hit the amount of damage would not be great.

Clearly an air service does not provide an adequate defense. An air service is an offensive and not a defensive agency. A treaty strength navy, on the other hand, would be strong enough to prevent enemy fleets from lying-to in the ocean and launching surprise air raids on America. The part of wisdom, therefore, would be to build our navy to treaty strength and by so doing prevent the launching of any air raids against our country, and at the same time protect our commerce on the high seas. As Mr. Nichols says in his denunciation of war, "Thank God, we've got a navy!"

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COMPULSORY AUTOMOBILE  
INSURANCE

*An Intercollegiate Debate*



# COMPULSORY AUTOMOBILE INSURANCE

## *INDIANA UNIVERSITY AFFIRMATIVE VS. UNIVERSITY OF CINCINNATI NEGATIVE*

A question of very practical value to the average automobile driver is presented here. Several states are now requiring some form of liability insurance or legal responsibility for injury and damage to others if adjudged guilty of carelessness or illegal acts in driving. Protection to the injured is not, however, by any means a universal practice, hence the present discussion seeks to throw light upon the kind of action the States should take.

The debate was held at Indiana University. It was a non-decision discussion.

The question was stated as follows, *Resolved: That the State of Indiana should adopt a plan of compulsory automobile liability insurance.*

The speeches were contributed by the directors of debate at the two Universities: Professor Donald Bowen of Indiana University, and Professor Arthur S. Postle, University of Cincinnati. Professor Postle assembled the speeches and sent them to the editor.

### **First Affirmative, Jeannette Sechrist Indiana University**

LADIES AND GENTLEMEN: We are happy to welcome to Indiana University, representatives of the University of Cincinnati to debate with us this question of social legislation which the Chairman has stated.

Let us briefly consider the meaning of the terms used in the proposition for debate.

By liability insurance is meant assurance against loss or damage resulting from accident or injury fatal, or non-fatal, to any person or to his property, for which the insured is legally responsible.

Therefore, compulsory automobile liability insurance means assuring the injured person that whoever has injured him is financially responsible, and will be able to pay any damages done to him or to his property through the fault of the driver.

In the United States today, we are at the threshold of a greater development of social insurance. The first great step was taken in the direction of social insurance when the Workmen's Compensation Law was enacted twenty years ago. This act insured workmen protection in the event of industrial accidents, and it has proved itself very much worth while.

After the passing of this law it was speculated that old age, health, or unemployment insurance would follow. However, the great increase in the number of automobiles operated on our highways and the resulting increase in damage to life and property has upset these speculations. Immediate attention must be given to this unspeakable hazard.

Dr. James A. Tobey in a review of a study made by the Council for Research in the Social Science of Columbia University said concerning this, "Nearly a million people suffered more or less disability injuries in automobile accidents in 1929, and a definite increase has been recorded for 1930. In 1929, thirty-one thousand five hundred deaths were recorded which was

fifteen per cent higher than in 1928 although the number of cars registered increased only eight per cent."

Further surveys show that during the year 1931 the number of fatalities was thirty-four thousand, and in addition to this it is estimated that there were nine hundred ninety-seven thousand persons injured with an economic loss of a billion dollars.

The real problem which confronts us today is, primarily, that a great majority of the drivers who are responsible for these accidents are financially irresponsible. This is shown by the action which practically every state has taken to make the drivers guarantee financial responsibility.

Wesley E. Monk in an address before the Convention of Insurance Commissioners of Seattle summarizes the problem in the following statement: "It is unfortunately a fact that a large proportion of the motor vehicle owners and operators are individually without sufficient financial responsibility to satisfy a judgment even of a small size, and the net result is that the persons damaged are eventually without legal redress. This raises a demand, that he who owns and operates a motor vehicle upon the public highways shall be compelled to protect himself and the general public, so that the persons injured may be compensated and reparations may be furnished for damages received."

This is not an extremely recent step. Switzerland inaugurated a plan of compulsory automobile liability insurance in 1904. Norway adopted a similar plan in 1912 and Denmark followed in 1918.

In the United States such insurance was first dis-

cussed in New Jersey in 1916, and by 1927 some forms of compulsory automobile liability insurance were under consideration in most of the states. In 1925 the most note-worthy example was adopted, namely the Massachusetts plan. Since then the eyes of the nation have been focused on this experiment. My colleague, the third speaker, will discuss the success of this plan.

Now we find that the State of Indiana, feeling the great need which existed for some such measure, has a law at present which provides that financial responsibility must be assured after a person has been found guilty of certain violations of the motor vehicle laws, or has had an accident resulting from his careless driving.

However, the great inadequacy of this plan can readily be seen when we stop to consider that every person may have a serious accident before he is forced to assure his financial responsibility.

The plan of the Affirmative represents the recommendation of the various authorities on the subject of automobile insurance.

In the first place, under the plan which we propose, in order to secure a license to operate a car in the State of Indiana the owner of either automobile or trailer must present to the State department granting automobile licenses, a certificate showing either:

1. That an authorized Insurance Company has issued a policy or a binder covering the legal liability of the applicant for bodily injuries to the extent of ten thousand dollars or for damage to property to the extent of five thousand dollars or—

2. That a Corporate Bonding Company has issued a motor vehicle liability bond covering the same hazard.

This, of course, means that as far as the issuing of the insurance is concerned the state will have nothing to do with it. However a board, such as the state industrial board would regulate and control the rates charged for this insurance. The way in which the Affirmative advocates that the rates shall be controlled will be by a sliding scale of rates.

When a person first takes out his insurance he will be classed as a standard risk and is classified in *Group A*. Then, if he violates certain motor vehicle laws or has an accident with a loss greater than one hundred dollars or less than five hundred dollars he will be classed in *Group B* and will pay twenty-five per cent more for his insurance. However, if his accident is more severe and if he seriously violates any motor vehicle laws he will be classed in *Group C* and will pay thirty per cent more for his insurance than the standard rates.

If the careless use of his motor vehicle results in the death of some person or if the driver causes any fatal injury he will be placed in *Group D* and his license to operate a car will be revoked for a period of three months.

This is the plan of the Affirmative. We believe that it contains all the good points of the Massachusetts plan along with the added feature of a sliding scale of rates which will reduce the number of accidents by

doing away with much of the present careless driving on our highways.

First Negative, Eleanor Brill  
University of Cincinnati

LADIES AND GENTLEMEN: While speeding on our way to Indiana University in a fast-flying traction, one of the Cincinnati debaters happened to notice a handbill in the pocket of the trolley seat. Though it was meant to illustrate something quite foreign to our debate, no doubt, nevertheless the particular cartoon on the bill seemed to us to be a most subtle and clever welcome to Indiana. The picture entitled, "The Hit-and-Run Driver and His Victim," showed a heavy truck escaping around the curve of the highway while the tax-payer's pocketbook lay flat and groaning on the road. Now, our opponents may maintain that such a condition is the very one that their plan of compulsory liability insurance would alleviate, but we of the Negative like to believe that the apt illustration is meant to depict the "after effects" of such a measure and not the "before." Certainly, under such a law the tax-payer's pocketbook would be flattened considerably and assuredly the hit-and-run driver would be escaping around the curve quite as unpunished as at present. But we shall not spend our time debating the implication of the cartoon, thus stealing the thunder of the Indiana Railroad system. Suffice it to say that we are grateful for the extended courtesy of the State of Indiana which certainly has reached its acme at this



magnificent University where we have just been welcomed.

It seems hardly fair in return for such kindness to begin attacking the alluring project which our Opponents have just outlined. But, on the other hand, would it not be an injustice for us to agree to such a proposition which we believe would be so detrimental to our friendly neighbor, Indiana? Indeed, such a plan as the Affirmative offers sounds tremendously tempting, at first. It appears to offer a perfect panacea with no offsetting difficulties or disadvantages. But upon analysis we find the project of compulsory liability insurance to be deprived of some of its skin-deep beauty. Far be it from us to criticize or condemn any measure whatsoever for the cure or relief of the automobile evil which we know to exist, but we remain to be convinced that compulsory liability insurance will be that cure.

Most persons incorrectly believe that liability insurance would guarantee "damages" to all those injured in automobile accidents, regardless of fault, or any other circumstances. As a matter of fact, liability insurance would be of benefit to an injured person only when he could obtain a court verdict against the motorist. Under compulsory liability insurance the injured person cannot recover until he shall have cited the offending motorist into court by a personal summons, and shall have proved in court (1) That the motorist was guilty of negligence, causing the accident; (2) That the injured was free from negligence; (3) The damages sustained.

If the injured by his own negligence contributed to the injury, he cannot recover. He cannot recover in any event unless the person causing the accident is known and is within the jurisdiction of the Court.

The Chamber of Commerce of the United States says: "Compulsory automobile insurance will do nothing to relieve the situation which results from accidents to which there are no witnesses. A large number of automobile accidents fall within this classification. Indemnity cannot be secured in those cases where the pedestrian is struck by a hit-and-run driver who escapes before he is identified, by criminals who are operating stolen cars or who are driving automobiles which are not covered by the insurance required or who escape after an accident without revealing their identity, by unregistered cars, unlicensed and uninsured cars, by cars from other states which do not come within the scope of the legislation, by cars not on public highways."

It should be realized at the start that the large majority of the injured in automobile accidents would in no way or degree be benefited by compulsory security. About five per cent of the private passenger car owners in this country have accidents for which they are legally liable. If only ten per cent of the motorists are financially irresponsible (as has been proved) and only about five per cent have accidents for which they are liable, only ten per cent of five per cent, or one half of one per cent, of the motorists are responsible for the evil which compulsory liability insurance might remedy. (*Reference: United States Fidelity and*

Guaranty Company, 1928.) Now to overcome the shortcomings of only one out of every two hundred motorists, compulsory liability insurance would cost the nation six hundred million dollars per year, assuming a conservative cost of thirty dollars a car.

But our opponents may maintain, perhaps, that it will be worth the cost in the safety it will promote. Well, we are not quite that optimistic. We feel that it cannot be assumed that a motorist who has been *compelled* to insure against loss, will, after he has effected such insurance, be more careful than he was without it. That would be contrary to human nature. The insured motorist has less to lose by an accident than the uninsured. Thus, there is nothing in compulsory liability insurance which would make automobile drivers more careful. To substantiate this statement we quote Thomas P. Henry, President of the American Automobile Association: "Let us compare the roll call of fatalities, injuries and collisions for 1926, the year before the law became effective in Massachusetts and for 1927, the first year of its operation. In 1927, with fewer automobiles registered, the fatalities were six hundred ninety-eight, as compared with six hundred eighty-one in 1926; the injuries were thirty-two thousand nine hundred twenty-two, as compared with twenty-four thousand nine hundred four the previous year; and the collisions were thirty-three thousand nine hundred thirty-eight, as compared with twenty-six thousand seven hundred sixty-nine. If there is any comfort in these figures from a safety standpoint, I fail to see it."

It is little wonder then, that such a measure is opposed by the United States Chamber of Commerce, the American Automobile Association, the National Conference on Street and Highway Safety, and also by the Hoosier State Automobile Association. It is little wonder, also, that insurance companies are opposing this plan, since, if everyone must insure, the companies can no longer select their risks and hence will be unable to control recklessness as they are now doing.

The most careful driver may be guilty of legally "reckless" conduct at any moment. Recklessness depends upon circumstances and conditions. Insurance cannot control momentary recklessness. It will be as difficult to deprive a motorist of his right to an insurance policy under a compulsory law as it is to get a conviction in a criminal case today. The insurance department will not be able to function any better than the police department, and if the latter functions, there is no need for the former to control the reckless.

Now we have attempted to show you: (1) That in spite of its prohibitive cost, compulsory liability insurance will benefit comparatively few. (2) That it will tend to *increase* rather than *decrease* accidents. (3) That it is opposed by reliable national as well as state authorities. (4) That it will not eliminate the reckless driver.

To illustrate our points let us present to you a few suppositious cases based on the only plan of compulsory liability insurance in effect in the United States, that of Massachusetts:

1. A thief, a joy-rider, or even a tourist, while pass-

ing through the state runs down a pedestrian and gets away. There is no compensation.

2. An accident is caused by a federal, state, county, or municipal car, used in the performance of governmental duties. There is no compensation.

3. An obstruction on the roadway for which a non-motorist is responsible causes a serious accident to the driver of a car. Since his liability insurance covers only the public, the motorist is uncompensated.

4. An accident occurs and the car at fault has been stolen or otherwise operated without the authority of the owner. There is no compensation.

5. An accident occurs on your private drive, in your garage, in private parking places, club grounds, recreation fields, or race tracks—but since it is not on the public highway, there is no compensation.

And so we say, no wonder that out of the forty-eight states in our Union only one, Massachusetts, has such a law as compulsory liability insurance in effect. And Massachusetts would be overjoyed to get rid of her unwelcome guest.

**Second Affirmative, Gale Robinson  
Indiana University**

LADIES AND GENTLEMEN: That there is a need for legislation to solve the great social problem created by automobile accidents has been pointed out to you by my colleague. She has presented to you a plan for compulsory automobile liability insurance in Indiana,

the features of which authorities on the subject advocate as most adequate and workable.

Wesley Monk in an address before a Convention of Insurance Commissioners, Seattle, Washington, states that, "It is unfortunately a fact that a large proportion of the motor vehicle owners and operators are individually without sufficient financial responsibility to satisfy a judgment even of a small size, and the net result is that the person injured in body or in property is eventually without legal redress. This raises a demand, and it is a serious and persistent demand, that he who owns and operates a motor vehicle upon the public highways shall be compelled to protect himself and the general public, so that the persons injured may be compensated and reparation may be furnished for damages received."

Thus we see that the growing need for protection against the financial irresponsibility of drivers is the foundation upon which we are building our case for compulsory automobile liability insurance.

In order to understand the imperative need for action, let us now turn our attention to the inherent evils of the present system. In the pamphlet entitled *They Call Us Civilized* published by the Travelers Insurance Company of Hartford, Connecticut, we find a survey of the country's automobile accident situation in 1932. From this survey we find that there were six hundred twelve thousand two hundred automobile accidents in the United States of which five hundred forty-three thousand two hundred seventy were directly caused by reckless driving. In these accidents there

were twenty thousand four hundred persons killed and seven hundred fifty thousand four hundred persons injured.

We must remember that these accidents occurred in prohibition days. With the repeal of prohibition in the offing and the possibility that intoxicant liquors will be for sale on every corner, one shudders to think of the probable increase in the accident figures just quoted. Hence the more urgent need for compulsory liability insurance.

Our plan, with its sliding scale of premium rates, will tend to reduce much of this recklessness which is the direct cause of so many accidents in the United States today.

The economic loss caused by auto accidents is tremendous. A large majority of the victims of auto accidents is still in the prime of life. Their injury or death causes a curtailment or complete loss of earning capacity. It has been estimated by the National Safety Council that this loss of earning power amounts to the staggering sum of eight hundred thirty-two million dollars annually.

From the Report of the Committee to study Compensation for Automobile Accidents to Columbia University we find that they are concerned with the problems of how people meet the difficulties caused by motor vehicle accidents, and how medical expenses are paid. When the wage earner of a family is injured or killed, what is done about living expenses? The answers to these problems depend largely on whether the injured was struck by an insured motorist or by one who was

not insured. It is significant that only twenty-seven and three-tenths per cent of the automobiles in the United States were insured for public liability in 1929 and in Indiana less than twenty-five per cent of the automobiles are insured which certainly shows a specific need for such legislation in Indiana. The case studies on which part of the Columbia report is based are from ten localities in six states including the Indiana cities of Terre Haute and Muncie. If there is no insurance, the case studies indicate that the injured has about one chance in four of receiving some payment and that in most cases the payment received will not cover the losses involved. If the offending motorist is insured payment will be received in eighty-five per cent of the cases. In fatal cases the not-insured defendant seldom pays anything and very seldom indeed pays enough to cover funeral expenses. Of the not-insured closed cases studied only sixteen per cent received payment and this was sufficient to cover funeral expenses in only six per cent of the cases. If the person killed contributed to the family support the loss of his income is even more serious than the expense of the funeral. Unless there is life insurance the family must bear all the loss unaided. If the deceased is the sole wage earner the family's economic condition will be entirely changed. When we consider that in 1932 there were twenty thousand four hundred persons killed we realize that this is a very serious situation indeed.

Our plan under which all are insured for liability will provide financially for a great many more of these unfortunate people in Indiana than are provided for



under the present system. It is interesting to note from the Columbia study that in most of the cases in which the driver has been insured, compensation has been paid for accidents for which he has been liable, while in most of the cases in which the driver was not insured, compensation has not been paid. The contrast between insured and not-insured cases in this respect is made clearer by the following percentages: In seventy-three per cent of the cases of insured drivers, compensation was paid, while in only twenty-four per cent of the cases of non-insured drivers was compensation paid. Thus we see that the insured cases show a strikingly smaller proportion of unpaid cases. It is alarming to note that the percentage of unpaid cases among uninsured drivers is sixty-five per cent.

C. A. Kulp, Professor of Insurance at Wharton College, writing in the *Journal of American Insurance* for February, 1929, states that there is a definite need for some means of protecting financially persons injured or the survivors of persons killed by negligent automobilists on the public highways and that compulsory automobile liability insurance provides the best possible practical plan for meeting this serious situation.

And so, Ladies and Gentlemen, we have pointed out to you, first, the need of compulsory automobile liability insurance in Indiana; second, we have enumerated for you the evils which exist under the present system. My colleague, the third speaker, will establish the practicability of this form of legislation and the wisdom which the State of Indiana would display in enacting this plan of compulsory automobile liability insurance.

Second Negative, Evelyn Ginsburg  
University of Cincinnati

LADIES AND GENTLEMEN: May I reiterate the appreciation expressed by my colleague. It is indeed a pleasure to be debating here and if there is ever any other question you would like to talk over, I extend to you a cordial invitation to come to Cincinnati, so that we may reciprocate your charming hospitality.

This afternoon, however, we will center our attention upon compulsory liability insurance, and the phase of the question which I shall treat is, I believe, one that will be of great interest to you all. Of course we want to reduce the number of automobile accidents—of course we would like to take the careless driver off the road—but even if this could be attained by compulsory liability insurance, and my colleague has shown you that it can not, we are very much interested in knowing how much this law will cost us in dollars and cents.

We must bear in mind at the outset of such an examination that the theory of insurance is based upon the selection of risk. This is an inalienable right of the assurer. Compulsory insurance takes this right away from the company, and, therefore, to compensate for being *forced* to take every risk, since every one who owns a car must carry insurance, the inevitable result of compulsory liability insurance would be to raise the premium rates on all cars, in order to cover both good and bad risks.

An illustration from another type of insurance will

elucidate this point. Suppose that a law were passed saying that every one must carry a life insurance policy. The immediate result would be to raise the premium rates on all policies, since the healthy man must help pay for the tubercular, whom the insurance company was forced, by law, to insure. The comparison with compulsory liability insurance is perfect. When the discrimination of risk is taken away from the insurance company they will be forced to raise the premiums on all cars. Thus the careful driver will have to pay for the careless one.

Now we may conveniently divide those persons who would be directly affected by a compulsory liability insurance law into four groups. The first group is naturally the car owner, who voluntarily owns liability insurance. His premiums will be raised. In Massachusetts, the only state which has this compulsory insurance, premiums have gone up as high as one hundred per cent in some districts. According to the Hoosier State Automobile Club, Indiana car owners who now pay twenty-three dollars for voluntary liability insurance, would under a compulsory system pay one hundred two dollars, with other premiums on smaller and larger cars proportionately increased! So you see your own Automobile Club warns you that your premiums will be more than quadrupled, if you allow such a law to be passed. How many of you could afford this additional expense to run your car? I ask you to consider this aspect of the problem in deciding whether compulsory liability insurance is worth the candle.

The second group to be affected, is the lower middle class car owner, who cannot afford liability insurance. He is a careful driver, and needs his car for business purposes, perhaps, but in these difficult days of depression, has a hard enough time "making ends meet" and the additional burden of compulsory liability insurance would render it impossible for him to use his own car. "No," says the politician through the medium of questionable legislation, "you must sell your car or junk it. If you can't afford insurance, you're just out of luck." This man is denied the right to drive his own car! This almost smacks of Communism, except that Communism aims at the rich, while this obnoxious law aims at the modest middle class.

Again, I cite Massachusetts as an example of this procedure. Since that state enacted compulsory liability insurance, the number of registered cars has greatly decreased as compared with other states. The car owners who can not afford the high premium rates, are just "out of luck."

But there is a third class of persons who would be drastically affected by this law. In rural districts, accidents are very few, therefore, the premiums should be low. However, I should like to read a statement by Edson S. Lott, President of the United States Casualty Company, regarding this phase of the question. He says, "It costs money to write policies; it costs money to maintain the machinery of claim service even if no claims come in. It costs money to pay taxes and license fees; it costs money to be prepared for unfore-

seen contingencies, even though the contingency never happens—and don't forget that it will cost money, too, to operate compulsory insurance, to operate a state fund, to operate any other scheme of insurance that ever can be invented.

"Then do I, as head of an insurance company, mean to say that automobile liability insurance is not practicable for very many farmers?

"That is precisely what I mean. It is too costly for them. The husk of operating expense is too large; the kernel of accident indemnity is too small. Then what is the answer? The farmers have already given it. They don't buy automobile insurance. They can't afford it. They don't want it. If they did buy it, the protection thereby given the public would be negligibly small."

So we see that such a law would do a great injustice to the farmers, upon whose shoulders the brunt of this depression has already fallen. It is grossly unfair!

But perhaps some of you here this afternoon, are not car owners and you may feel that this law would not affect you one way or the other. On the contrary, it will affect you, car-owner, or not. I ask you to bear in mind the cost of the extra legislation which this law would necessitate. I ask you to remember that the added, and I might say padded, salaries of the officials who would keep this nuisance law functioning, must be paid by some one. You can answer for yourselves where this extra money will come from. From taxes, of course, and *you* will pay those taxes! Thus you can see that this law will take money out of your pock-

ets and give you nothing, not even protection, in return.

But we must not overlook a point which the Affirmative has spent so much time explaining. They have proposed a sliding scale. The more accidents you have, the higher will be your premium. I wonder if the Affirmative is cognizant of the meaning of such a clause. The rich man can afford to be careless, not because he is better than the poor man, but because he has money enough to pay higher insurance. The poor man cannot *afford* to be careless, lest his driving rights be taken away. If the Affirmative team cannot see the folly of this entire plan, we advise that they at least omit the sliding scale feature. It has been pointed out by men who have made a study of compulsory liability insurance, that it places a premium on carelessness. With the sliding scale clause that premium is doubly enhanced for the wealthy!

Now it is the contention of the Affirmative team, as I understand their argument, that compulsory liability insurance is advisable because of the great number of persons who would receive financial benefit from it. My colleague has enumerated the great number of cases which this law would not even approach with any aid, whatever. She has shown you that one half of one per cent of the driving public would receive added protection. Of course, this is an infinitesimal percentage, but we are not unmindful of even so small a number, and our third speaker will present a plan which we feel has any ameliorating characteristics which the compulsory plan may have, and none of its faults.

If the plan which the Affirmative team has presented is economically sound, the total amount of benefit received from it should be greater than the added expense which it would entail. At this point compulsory liability insurance collapses completely. Primarily it opens a new field for graft and bureaucracy. More of the public's money will be in the hands of politicians to "protect the poor American people." Moreover, as Massachusetts experience has proved, this law offers a springboard for frivolous and fraudulent claims. In 1927, there were only thirty-two thousand injuries reported, while forty-three thousand claims were presented to the insurance companies. It seems that every one with a scratched elbow tried to collect damages! Not only does this clutter up the courts, but merely offers another leakage for the taxpayers' money. Thus we can readily see that not only will this law offer no interest as an economic investment, but it will cost a high percentage of its principal to maintain.

And now if we are to see this law as a dynamic unit, we must inquire into the mechanics. We are all familiar with the present difficulties of collecting a damage suit in court. Now if compulsory liability insurance is to be as attractive as it has been painted, it should facilitate collection. As a matter of fact, it will do just the opposite. Massachusetts' experience has shown how fraudulent claims have increased because the misinformed public has been led to believe that the insurance companies are very rich, and very anxious to pay handsome sums for minor injuries.

Thus the courts have become cluttered with these trumped-up cases, and the legitimate ones must wait until these false ones have been disposed of. Moreover, the fair claimants are at a distinct disadvantage. According to the proposed plan, the claimant must be proven entirely guiltless if he is to collect damages. Now it is, of course, purely a matter of conjecture just how much of a chance the petty little lawyer will have of proving that Mary Jane was crossing exactly at the intersection, and not twenty feet north of it, when she was run down. He must match his wits against the experienced and highly trained corporation lawyers. It is my guess that his chances of winning a judgment under such circumstances are deplorably slim.

Of course, the law in Massachusetts does not function this perfectly. Many claims are collected in which the guilt is divided, or perhaps entirely borne by the pedestrian, but this is nothing in favor of the law. It merely proves its inefficient functioning. It proves, moreover, that the man who can afford a shrewd lawyer has a better chance of collecting damages, than the poor family whose breadwinner has been incapacitated by a reckless driver. Thus, we are forced to admit that insofar as the Massachusetts experience throws any light upon this law, it is a sickly yellow one, one which the state of Indiana is wise to shy from.

Compulsory liability insurance has two possible pillars of support. If it will benefit a great majority of injured persons, and if it will decrease the number of accidents, it would admittedly be a wise law. My colleague has shown you how few persons would actually



benefit by it; it has been my aim to demonstrate to you the absolutely prohibitive cost of this law (and I cite your own Hoosier State Automobile Club as bearing out this statement) and the third Negative speaker will show you, conclusively, I believe, that this law will actually increase rather than decrease accidents. It is notable that the Affirmative team has not dwelt upon this aspect of the problem. No doubt, they realize that at this point it is thoroughly inadequate. Their Rock of Gibraltar seems to be the phenomenal number of widows and orphans who will be kept out of Alms Houses by this "act of social justice." If we could be so optimistic as to believe, in the face of the failure of the Massachusetts experiment, that by some Act of God, Indiana could enact a compulsory liability insurance law that would be a panacea for the evil of the motor car, then I assure you we would not only advise you to adopt it, but catch the first train back to Ohio and tell our state to do likewise. But this is a practical situation; it does not call for the starry-eyed idealism with which the Affirmative team is so well equipped. It calls for a critical examination of the facts, which the Negative team has attempted to give you.

**Third Affirmative, Harriett Williams**  
**Indiana University**

LADIES AND GENTLEMEN: We want to clear up a question which our opponents raised that may have puzzled you. In impressive tones they have told you, "The driver must be proven one hundred per cent at fault

before the injured person will be able to secure a court judgment for damages." We find that this has not been the experience of Massachusetts in her experiment in compulsory automobile liability insurance. According to the Report of the Committee to Study Compensation for Automobile Accidents (hereafter referred to as the Columbia Report) to the Columbia University Council for Research in the Social Sciences, published in 1932, "An analysis of the insured cases studied in Massachusetts in which payments were not received shows that claimants in all cases receive some compensation if there is any trace of legal liability. It is also true that many persons receive compensation by way of a nuisance payment where there is no real danger of liability."

My colleagues have pointed out to you the enormity of the social problem which is created by the financial irresponsibility of drivers and have presented to you a plan for the solution of this problem. They have told you of the steps which Indiana has taken thus far, and have enumerated for you the evils which exist under the present system.

As has been stated, the most flagrant evils of the present system are the financial irresponsibility of drivers, the increasing number of accidents, and the loss of productive power of the injured persons which throws the burden of their support and of their dependents upon the state.

Now we want to show you in what way and to what extent our plan will remedy these evils. The primary purpose of compulsory automobile liability insurance

is, as we have said, the establishment of financial responsibility of drivers. That the law we submit would do this, there can be no doubt, for, by the enactment of compulsory automobile liability insurance legislation, we would make the operation of a car upon the highways of Indiana *prima facie* evidence of financial responsibility.

We also contend that our plan will effectively reduce the number of accidents. Our opponents have told you that at first blush they were very much impressed by our plan—that it seemed to be a panacea. We do not claim that it is a panacea—that it is a Utopian scheme which will eliminate accidents—but we do say that it will have a distinctly favorable tendency toward the reduction of accidents. My colleague has already explained to you how the incorporation of our sliding scale of premium rates will have a tendency to reduce careless and reckless driving by a material increase in rates on evidence of recklessness and as a final stringent measure, by the suspension of the driver's license.

Our plan will also eliminate to a great extent the burden on society to take care of the dependents of injured persons and the injured person himself, because the one who causes the accident is the one who must assume the responsibility of paying for the damage which he causes under this plan of compulsory automobile liability insurance.

In considering our plan, we feel sure that the greatest question in your mind is—Is the plan practical and workable, has it been tried? My colleagues have mentioned the various countries that have thus far adopted

this form of legislation—Switzerland, Norway, Sweden, Finland, Denmark, New Zealand, England, and in the United States, Massachusetts. Our opponents have swept this impressive list aside and have said, "But the Affirmative are not advocating a tried plan—The European and the Massachusetts systems differ from their plan." It is true that our plan is not the same in all details, but the fundamental purpose underlying all compulsory automobile liability insurance is the same. Consequently, we feel free to draw conclusions from these working systems. When England adopted this form of insurance in 1930 the Royal Commission stated, "We have considered carefully all the objections which have been raised to the proposal, . . . and fully admitting the practical difficulties in the way, we think that the case for compulsory third party risk insurance is so strong that an attempt must be made to deal with it."

The Massachusetts system of compulsory automobile liability insurance has, of course, served as the proving ground for the experiment in our country. Our opponents have implied that this law is "an unwelcome guest" in Massachusetts, and have pointed out the flood of criticism which has descended on the Massachusetts law since its enactment. Professor Bowers of Ohio State University in his book on *Compulsory Automobile Liability Insurance* in considering these criticisms has said, "Probably this adverse criticism was the result of many hasty conclusions. However many the defects may or may not be, the Massachusetts system is still operating as a going concern."

William Carroll Hill, a noted Boston editor, has said about the success of the law in Massachusetts, "The general conclusion must be, therefore, if one adheres strictly to the fundamental purpose of the law, that it has proven successful, that is, it has provided financial responsibility behind the motorists of the state. The public of Massachusetts generally express satisfaction with the law. . . . If any attempt was made to repeal the law, it would be opposed by the motorist and pedestrian public alike. . . . Beyond all question the law has been accepted as a beneficial measure incident to and necessary in the tremendous expansion of the use of the automobile."

According to the 1930 *World Almanac* the Massachusetts automobile death rate per one hundred thousand population in the three years before the law went into effect and the two years after its operation varied only two-tenths. In no other state in the union during this five year period was there such a slight variance in automobile deaths as in Massachusetts. On the contrary, in every other state there was during this period an increase in automobile death rate per hundred thousand population ranging from two persons in Maine to eleven persons in Florida. In Indiana in this period of time the automobile death rate increased nine persons per one hundred thousand. This would certainly indicate a very real and special need for the form of legislation which we propose for the State of Indiana. According to the 1931 *Almanac* we note that only seven states in the Union have a lower automobile death rate per one hundred thousand than Massachusetts—the

state that has this form of insurance. On the other hand, only five states have a higher automobile death rate, according to population, than Indiana. These figures again bring out the need for compulsory automobile liability insurance in Indiana.

Our opponents are continually pointing out that so few people will be benefited by the operation of this law, that the effect will be negligible—that the game is not worth the candle. Let us examine the merits of this contention. The Columbia report referred to before says in regard to compensation under the present system, "The frequency and liberality of compensation depends in every locality upon the proportion of insured defendants. It follows that in Massachusetts payments are more frequent and more liberal than in any other locality studied by the committee. It is very clear that compulsory liability insurance protects injured persons very much better than any other system now in force."

Included in the case studies by localities made by the Columbia Committee were two Massachusetts cities, Boston and Worcester, and two Indiana cities, Terre Haute and Muncie. Let us stop for a moment to compare these. In the temporarily injured class, the permanently injured class, and the survivors of those who were fatally injured, the number of cases which received compensation in the two Massachusetts cities under their compulsory automobile liability insurance law ranged from eighty to one hundred per cent. In the two Indiana cities the per cent of times in which compensation was received by these three classes of

injured persons ranged from twenty-two to fifty-three per cent. This is a difference in range of seventy-eight per cent in frequency of compensation in favor of Massachusetts which has compulsory liability insurance over Indiana which does not. No more conclusive evidence of the success of compulsory automobile liability insurance and the need for the enactment of this legislation in Indiana could be found than in these actual figures obtained from the two states.

In this same Columbia University report we also find another significant fact. In the Massachusetts case studies, the compensation paid covered eighty-nine per cent of the loss incurred in both cities. In Terre Haute in the few cases in which compensation was paid only sixty-one per cent of the loss incurred was paid for and in Muncie only fifty-five per cent. This again is a difference of thirty-five per cent in favor of Massachusetts. This comparison certainly speaks well for the success of the plan and is an indication of the wisdom of the step which Indiana would take in adopting compulsory automobile liability insurance. Our conclusion must be, therefore, that in the state that has the form of insurance which we propose for Indiana, there is not only a much higher percentage of compensation in all cases but there is also a more adequate compensation. These figures that we have presented would certainly invalidate the contention of our opponents that only a small percentage of cases would be affected by this law.

Thus far the Affirmative have shown you the need for some form of legislation; we have shown you that the authorities on the subject and the results of the

Massachusetts experiment point to the fact that the plan we are supporting is the most adequate and practical plan for the solution of the present problem. We have pointed out to you the evils in the present system; we have shown you how our plan will remedy these evils; and, most important of all, we have proved our plan workable and practical. For these reasons we believe that Indiana would be taking a forward step in adopting the plan of compulsory automobile liability insurance which we are advocating.

**Third Negative, Roberta Kelly**  
**University of Cincinnati**

LADIES AND GENTLEMEN: I come as the Negative's third representative ready to make a concession. In spite of the facts that the proposed compulsory liability scheme would be prohibitively expensive and would help only a minimum of those injured in automobile accidents, we of the Negative would be willing to reconsider these phases of the question if we were convinced that such a plan would be effective in reducing the number of accidents. But, in the light of such facts concerning compulsory liability insurance as it operates in the one state in which it has been tried, we feel that we can not endorse such a plan when it has proved itself conducive to a greater rather than a less volume of accidents.

One of my opponents has quoted to you some materials from the Report of the Committee of Nine to the Columbia University Research Council. There seems



to be some mistake, for the statements she presented to you were to the effect that that committee was reporting in favor of the compulsory liability plan. I have a copy of the report in my hand opened to the page where it states that the Massachusetts plan has had the effect of increasing rather than decreasing the number of accidents and that it certainly has made the public claim-minded and increased incredibly the number of claims. To some minds, figures may be more convincing than mere statements, so I shall read the figures: In Massachusetts in 1926 before the law was enacted, there were six hundred eighty-one fatalities from automobile accidents, twenty-four thousand injuries, and twenty-six thousand collisions. In 1927 when the law was in force and fewer automobiles were registered there were six hundred ninety-eight fatalities, thirty-two thousand injuries, and thirty-four thousand collisions: an increase of about thirty-three per cent in both injuries and collisions. And it is significant to notice that although there were only thirty-two thousand injuries, forty-three thousand claims were filed. The only conclusion we can draw from such facts is that the law invited frauds and impositions.

Certainly no one would claim that such a scheme would operate to any extent as an accident prevention measure. I notice that even our opponents do not stress this point so much as they do the matter of financial compensation for the accidents which they would allow to occur. But financial relief is only an anodyne to soothe the pain. Cocaine cannot cure a cancer; and no financial remuneration can provide a real cure for

the ills which result from the negligent operation of automobiles.

The thing which is needed is a means of disciplining or removing from the road, temporarily or permanently as the case may require, those automobile drivers whose carelessness may or does cause the harm. We want to prevent accidents: not compensate them. The Massachusetts plan has also proved itself ineffective in removing the careless driver from the road. Before the insurance company can refuse to renew a policy of a driver who has proved himself a bad risk, the State Board of Appeals must endorse this refusal. Last year in Massachusetts only twenty-eight motorists in the whole state were refused licenses. Certainly under voluntary insurance a dependable insurance company would find a much greater percentage than that as undesirable risks!

It is only too obvious that compulsory liability insurance would encourage the irresponsible driver to be even more irresponsible, for after all there is not much for him to lose. He is protected in whatever damage he may cause. In the plan which the Affirmative proposes, the wealthy man has absolutely no reason to become more careful, for in the case he does cause several accidents, his punishment is merely an increase in his rate; to many persons of money, an increase of five, ten, twenty, or even twenty-five dollars is comparatively nothing. To the poor such a sum may have some meaning. Is it fair, then, to create another instance in which the rich man can buy his way?

I learned from one of your professors here at Indiana

that your state now has a form of drivers' license. I was told that this consisted of a little card which each person who wishes to drive must purchase for a small sum. This I was told by several here around school is not very effective, for everyone who applies is able to secure a license. Is it not ridiculous, then, to continue this practice and then charge up the damages done by the persons it carelessly licensed to the great bulk of automobile owners who are careful of the rights of others and most often are fully responsible? Briefly, is it fair to tax the careful driver to pay the damages done by the careless driver.

We would not, however, tear down your attempt to meet the existing deplorable situation if we did not have in mind a plan more effective and more appropriate. Our plan, although it can not claim to be a cure-all, is free from the weaknesses of the compulsory liability scheme—its prohibitive cost and ineffectiveness—and will reduce the volume of accidents as the insurance plan has failed to do.

We advocate a combination of the drivers' responsibility and drivers' license law. Every driver would be as free as he is today until he has an accident. But the driver who has a court judgment against him cannot renew his license until the judgment is satisfied. This plan does not cost a cent: the person who has no accident has no expense. It would penalize recklessness and put a premium on carefulness. And most significant—it is conducive to careful driving and accident prevention, the supreme goal of any automobile regulation.

Finally, in reviewing the Affirmative we find that the promises held out for compulsory liability insurance are excessively Utopian. The proponents of compulsory liability, although highly indefinite, are united in asserting, implying, or giving countenance to the beliefs that it would greatly reduce the volume of accidents, assure relief to a great number of the injured, entail no material increase in the cost, be equitable to all concerned, and in general have highly beneficial social results.

The facts of the case as we have met them, however, are that if it collects enough money to assure adequate relief, it will necessarily be prohibitively expensive. If it is equitable to some of the most deserving motorists, it is inequitable to the great mass of law-abiding and faultless motorists. If it takes care of all the cases, it will litigate the courts; if it fails to take care of all the cases, it is not accomplishing its purpose. If it does not promise compensation to all regardless of fault, it is no better than the present situation; if it does promise compensation to all regardless of fault, it invites frauds and impositions.

May I conclude with a quotation from P. Tecumseh Sherman of the New York bar: "It is significant to notice that no organization of safety experts or any official body that has studied the motor vehicle problem comprehensively has ever recommended any form of compulsory automobile insurance as a means for the promotion of safety. The National Conference of Street and Highway Safety, the National Safety Council, the Chamber of Commerce of the United States,

and legislative commissions and committees of California, Maryland, Oregon, and several other states have studied this problem thoroughly and have made various recommendations for reducing road dangers, but all have rejected, passed over, or declined to recommend every or any form of compulsory insurance."

First Negative Rebuttal, Eleanor Brill  
University of Cincinnati

LADIES AND GENTLEMEN: We have been reminded that we are existing in the midst of alarming conditions in the world of the automobilist today. That there is a crying need for some intelligent action to reduce automobile accidents cannot be denied. But we wonder at our opponents for advocating a remedy that emphasizes indemnity for the injured rather than the prevention of such injuries. Any attempt to apply a remedy without dealing with the cause of the trouble is like trying to purify the water in the well by painting the pump.

As Henry Swift Ives, Secretary of the Casualty Information Clearing House, says: "The danger from automobile traffic never will be solved by compulsory insurance; rather it will be accentuated by it. What we need in this country is fewer laws and the proper enforcement of existing laws. It is not the duty of the State to compensate highway accident victims but to prevent highway accidents. . . . If I thought that compulsory insurance in any form would reduce injuries to a minimum I would be for it. I believe, how-

ever, that it will increase injuries to the maximum and relieve drivers of all sense of responsibility."

President Edson S. Lott of the United States Casualty Company sums up the points at issue neatly when he says: "An accident prevented is a benefaction while an accident compensated is a confession of failure." We heartily subscribe to that sentiment.

If compulsory liability insurance were not prohibitive in cost, if, in spite of the financial burden, it would be beneficial to the many instead of the few, if it would eliminate the reckless driver, if it would tend to decrease rather than increase accidents, if all these conditions were true, would you not believe it still contradictory that during the last few years the legislatures of practically all the states have considered and rejected all proposals for compulsory automobile insurance? The one exception has been Massachusetts, and certainly there is increasing evidence of dissatisfaction with that law. There, because compulsory liability insurance has become such a political football many reliable insurance companies have withdrawn from the state and transferred their activities elsewhere.

But we do not want this dissertation to be entirely Negative. It would be of little benefit to continue the argument indefinitely, tearing down the proposed plan of our well-meaning opponents and offering nothing better in its place. Instead of that, we of the Negative suggest as a practical and workable substitute for compulsory liability insurance a financial responsibility legislation, such as is in effect in eighteen different states and in five Canadian provinces. Thus, by

emphasizing prevention of accidents rather than compensation for injuries, by *encouraging carefulness* rather than by *rewarding carelessness*, such a plan will solve the automobile problem.

First Affirmative Rebuttal, Jeannette Sechrist  
Indiana University

LADIES AND GENTLEMEN: In the first place I would like to call to your attention an ambiguity in the case of our opponents. They have pointed out very clearly to you that momentary carelessness can not be done away with. No matter how careful a person may be he is bound to have an accident at some time or another which will be entirely due to momentary carelessness. However, the Negative have also pointed out that the small car owner can not afford liability insurance and that he does not need it since he is usually a careful driver and has few accidents. How are the Negative going to take care of the times when this ordinarily careful driver has one of his moments of carelessness which we all have at some time or another? It seems that the Negative have been extremely inconsistent on this point. We must insure financial responsibility for every one so that we will provide for accidents caused by momentary carelessness.

Our opponents have told you that the ordinary car owner who has liability insurance at the present time will have to pay for the carelessness of other people through increased insurance rates. By this statement the Negative lead us to believe that they do not fully

understand our plan. By means of our sliding scale of rates we expect the careless driver to pay for his own accidents by increased premium rates.

Our opponents also charge that a motorist, who is assured that any damage he may do will be paid by an insurance company will be more careless. This also indicates a failure of the Negative to comprehend thoroughly our plan. Let me ask you: If you knew that any damage you might do through the careless operation of your car would have to be paid by you through increased insurance premium rates would you be more careless than if you knew that no one could force you to pay for the damage, even if you did wreck someone's car since you own neither your home nor your car and would therefore, not be liable for the damage done? It is true also, that the argument of the Negative is contrary to human nature, since it is illogical to assume that a person has no interest in his own welfare, or that he would not fear the injuries which he might suffer from his own carelessness

The Negative have stated at several times that only ten per cent of the persons operating motor vehicles on the highways of this country today are financially irresponsible. Therefore, by providing compulsory automobile insurance for all of the people we would be placing this great burden on ninety per cent of the people for the faults of ten per cent of the people. However, my colleague, the third speaker, has shown you that compensation was paid in seventy-five per cent more of the cases where the person at fault was insured than in the cases where he was not insured. So we can



see that by placing this insurance on everyone we are going to very greatly decrease this enormous financial loss which results each year from automobile accidents. Besides that we would challenge the Negative's figures that only ten per cent of the people who operate motor vehicles in the United States today are financially irresponsible.

Therefore, since the Negative have admitted that momentary carelessness can not be avoided, we must therefore have compulsory liability insurance to protect everyone equally; since the Affirmative plan makes the careless driver pay for the damage he does through increased premiums; since our proposal is a measure which will protect the motor driving public generally; we believe that we have shown you that this measure is one which should be taken by the State of Indiana as the next step towards ridding this state of its enormous annual loss through automobile accidents.

**Second Negative Rebuttal, Evelyn Ginsburg  
University of Cincinnati**

LADIES AND GENTLEMEN: I feel called upon to clarify immediately, a misconstruance which the Affirmative team has made of the Negative's contentions. We have not attributed momentary carelessness to instinctive nature. We have merely stated that certain accidents are unavoidable because of such uncontrollable factors as the weather. But neither does the Affirmative's plan take care of this situation. With their sliding scale, how will they determine into what category

a man will come whose car skids into a pedestrian? Will he be in the group A B C or D? It is neither the autoist's, nor the pedestrian's fault, directly. Therefore, either the pedestrian cannot collect damages, despite the fact that he may be a poor man, or the autoist must pay higher premiums, although the accident was beyond his control, or the insurance company must become a philanthropic institution. Under the system we have proposed, such a contingency would be settled by sharing the damages. So the Affirmative must admit that the very point upon which they accuse us of ambiguity is the one which our plan meets more adequately than does theirs.

As concerns their sliding system, I do not believe it is beyond our mediocre intelligence to comprehend. We can understand easily enough how they propose it shall function, but we are a little puzzled as to what the virtues of this plan may be. Upon this point we would appreciate further enlightenment.

Now it is preposterous that our argument has been interpreted to mean that just because a man has an insurance policy he will start on a "hit-and-run campaign." We hope we have not given such a ridiculous impression. We do, however, believe that it is a psychological fact that persons who are predisposed to carelessness, will feel less responsible if they are backed up by an insurance company. And again the sliding scale rears its rather unpleasant looking head. The wealthy scion of a prominent family can afford to pay higher premiums. The sliding scale offers a slide to unmerited protection to him.

In closing, I should like to make just one more reference to the Massachusetts law. The Affirmative team was apparently so greatly impressed by a statement of Mr. Monk, the *former* Massachusetts Insurance Commissioner, that both the first and second speakers have quoted it. I would ask them to reconcile the fact that Mr. Monk resigned his position in Massachusetts because of the impossibility of the law to accomplish its end without making the insurance premiums prohibitive, with his statement to the Insurance Company of Seattle. May I suggest that Mr. Monk was not advocating a law like the one in Massachusetts but merely stating the already known fact that automobile casualties are becoming a greater problem.

Thus I feel that the Negative team has met the Affirmative on their own ground. We have attempted a fair, unbiased examination of the law they have proposed, but because it will *not* decrease the number of accidents, because the protection offered is an ephemeral one, and because the cost of this law would be an added burden to every one of you, it is the advice of the Negative team that Indiana in her driving activities steer clear of compulsory liability insurance.

**Second Affirmative Rebuttal, Gale Robinson  
Indiana University**

LADIES AND GENTLEMEN: Our opponents have shown us a picture of a hit-and-run driver. Our plan will reduce the number of these drivers because the

fear of being held liable for damages which he can not pay is one of the motivating influences which causes drivers to run. Of course, we do not claim that they will be eliminated, but that is a weakness in human nature, not a weakness in our plan.

Our opponents have argued that under compulsory automobile insurance, insurance companies would be unable to select risks. On the contrary no insurance company would insure a man who was costing them money; therefore, very few careless drivers would be on the highway. Our opponents have stated that the careless driver will not be removed from the highway. Our sliding scale of premium rates will either remove him from the road by the increased premium rates which he will have to pay for his insurance or his license will be revoked if he is consistently reckless.

Our opponents have stated that compulsory automobile liability insurance will protect only the rich and will not aid the man in moderate circumstances. In answering this it is interesting to note the economic status of persons investigated by the Columbia University Committee. In great majority of all the cases studied, the family was supported by one or more wage earners receiving small wages. Most of the adults who were killed were themselves earners, three-fourths of whom earned less than forty dollars a week. Four-fifths of these employed persons had people dependent upon them. Of the injured wage earners twenty-six per cent were hurt or killed on their way to and from work. It is from a consideration of a study of these

cases that the committee states that compulsory automobile liability insurance is the best plan.

Less than one third of all the motor vehicles in the United States are insured for public liability. Our opponents have said that compulsory automobile liability insurance will increase taxes. In the long run, the doctor, the hospital, the tradesmen, and the landlords may bear most of the immediate burden of the economic loss when the wage earner of a family is killed. Available evidence indicates that hospitals especially bear a heavy burden of unpaid bills. And we do pay taxes to maintain the hospitals.

The Committee previously cited believes that the data obtained from the case studies indicate that uninsured owners of motor vehicles as a class pay for only a very small proportion of the damage which their motor vehicles cause. Financial responsibility laws do little to correct this injustice. Compulsory automobile liability insurance has largely eliminated financial irresponsibility in Massachusetts, and is the most advanced step taken in this country to solve the problem of compensation. This Committee strongly approves of requiring every owner of a motor vehicle to insure against whatever legal liability may be imposed upon him for personal injuries or death caused by its operation.

**Third Negative Rebuttal, Roberta Kelly  
University of Cincinnati**

LADIES AND GENTLEMEN: The promises held out for compulsory liability insurance are excessively Utopian. Although the Affirmative is rather indefinite on some points of operation of the law, they all unite in claiming, implying, or giving countenance to the belief that liability insurance would greatly reduce the number of accidents; assure relief to all injured; entail no material increase in cost; be equitable to all concerned; and in general, be highly beneficial to society.

The facts are that if it collects enough to assure adequate relief to all, it is necessarily prohibitively expensive. If it is equitable to some injured, it is inequitable to the great bulk of law-abiding motorists. If it takes care of all the cases, it crowds the Courts. If it does not, it fails to accomplish its purpose. If it does not compensate all regardless of faults, it is no improvement on the present situation. If it does compensate all regardless of fault, it invites fraud and impositions.

One of our opponents has pointed out to you the great percentage of those now insured who received benefits compared to the number of uninsured who did. This, I think you can understand, is not a valid analogy when we consider the difference in the situations. This deals with insurance cases under a voluntary system in which the company can select its risks and keep the number of insured accidents at a minimum. Then too,

every insured case is recorded, while very few uninsured cases are.

We have been led to believe that the Affirmative plan would compensate to some degree in every case. Not even the Massachusetts plan is so foolish as this. The necessary increase in cost, alone, would be unheard of.

Our opponents have devoted much time to discussing the workability of their plan. The foreign plans they mention, however, are very very different, and, therefore, are not comparable to the one proposed here. They are really compensation, not insurance plans.

Regardless of whatever other discrepancies we may find in the proposed plan, we could easily discard them as faults in logic and reasoning or lack of consistent argument or understanding, if our opponents really got at the heart of the question—accident prevention. They spend much time in impressing us with the deplorable situation which exists today in the increasing automobile hazard. What we need, then, it seems to us, is a plan to lessen and prevent this condition, not a plan to pay for the damage done—and that payment done for the most part by those not to blame. They say much of the great economic loss in the number of wage-earners killed. They say that very few people are able to pay a damage suit for five or ten thousand dollars. We agree on these commonplaces entirely. Therefore, we must prevent these accidents which call for such damage suits. Their plan punishes, but does not prevent. The rich man can afford to have his accidents, because he can pay the price.

Thus, generally, the insurance scheme goes wide of its mark. On one point, I grant, it meets one of its promises—it would assure relief to some deserving victims (so does the present system)—but it would assure that relief in a most inexpedient and improper way; by distributing the cost indiscriminately, regardless of merits, in a way that would spread demoralization and invite abuses and at a cost most oppressive and out of all proportion to the modicum of good effected.

**Third Affirmative Rebuttal, Harriett Williams**  
Indiana University

LADIES AND GENTLEMEN: Now let us consider the status of the debate. We have advocated the adoption of a plan of compulsory automobile liability insurance. Our opponents have objected to the adoption of this plan for reasons which we now want to take up one by one.

“Because of the prohibitive cost . . .” We need only say to this that Massachusetts has not found the cost prohibitive and she has had this law in operation since 1927. They have said that under our sliding scale of rates only John D. Rockefeller could drive a car and have all the accidents he wanted, because he is the only one who could afford them. This is very definitely a misinterpretation of our scheme. There will be no increase in rates, if the driver has an accident, unless he was at fault, and no driver “can have all the accidents he wants,” without exposing himself to the danger of having his license suspended.



"The law," our opponents say, "will benefit comparatively few—that the driver must be one hundred per cent at fault." We have already pointed out that the evidence in Massachusetts leads to the conclusion that the insurance companies are willing to settle out of court if there is any trace of liability. We have also shown that an injured person has only about one chance in four of recovering from an uninsured driver who has been held liable! This certainly does not tend to indicate that our plan is so limited in its scope as our opponents would have you believe.

Our opponents attacked our plan because it "will not eliminate the reckless driver," and because a plan of compulsory automobile liability insurance has never been advocated by any safety organization. They have said that our plan does not strike at the heart of the evil. We feel that our opponents are approaching the question from the wrong angle, considering our plan in the light of its secondary and incidental results rather than the most important thing—the establishment of financial responsibility. We have not claimed that our plan will eliminate the reckless driver—nor do our opponents claim this for the plan which they have set up by way of a counter-proposition—but we have shown you how our sliding scale of rates will work toward the protection of the motoring public by placing a penalty on careless and reckless driving.

Now let us consider for a moment the plan which our opponents have suggested. They have told you that their plan will not eliminate accidents, yet they have attacked the plan we suggest on this very ground.

They have not aimed their law at the heart of the problem. Their law would not operate until after the driver has had an accident—thus eliminating from the group benefited by the law they propose the largest per cent of accidents, the first one that a driver has. Our plan is preventive and gives assurance of the driver's financial responsibility before the accident occurs. Their plan says if he can't pay for the damage he has caused, his license will be revoked. But in the meantime what will happen to the injured person or his dependents? These are the ones whom our plan is designed to protect.

Our opponents have agreed with us that the underlying principle of insurance is sound. It is the compulsory feature to which they object. Therefore, the difference is a matter of degree. "Insurance," they say, "is a good thing for those who want to protect themselves." We of the Affirmative want to extend the scope of this protection to include all those who may be affected by this dangerous instrumentality, the automobile.

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## APPENDICES





## APPENDIX I

### Topic Index of Debate Subjects Appearing in the Various Volumes of "Intercollegiate Debates"

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*Volume numbers are indicated after the subjects*

Abandonment of Policy of Military Preparedness,  
*Vol. 12.*

Accident Insurance, *Vol. 4.*

Advertising, Modern, *Vol. 10.*

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*Volume numbers in which the various colleges have  
had contributions follow the names*

- Amherst College, *Vol. 1.*  
Baker University, *Vol. 1.*  
Bates College, *Vols. 10, 12, 15.*  
Baylor College for Women, *Vol. 8.*  
Baylor University, *Vol. 2.*  
Bellevue College, *Vol. 2.*  
Beloit College, *Vols. 1, 9, 14.*  
Bethany College, Kansas, *Vols. 9, 11.*  
Bowdoin College, *Vol. 1.*  
British Columbia, University of, *Vol. 8.*  
British Universities, Student Union, *Vol. 10.*  
Brown University, *Vol. 2.*  
Bucknell University, *Vol. 14.*  
California Institute of Technology, *Vol. 8.*  
Cambridge University (England), *Vol. 15.*  
Canton College, *Vol. 2.*  
Carleton College, *Vols. 6, 10, 13, 14.*  
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Chicago, University of, *Vols. 1, 2.*

Cincinnati, University of, *Vols. 1, 12, 15.*

Colgate University, *Vols. 1, 2, 12, 14.*

College of the City of Detroit, *Vol. 15.*

College of Emporia, *Vols. 8, 9.*

College of the Pacific, *Vol. 9.*

College of Wooster, *Vol. 14.*

Colorado Agricultural College, *Vol. 6.*

Colorado University, *Vol. 4.*

Columbia University, *Vol. 7.*

Cotner College, *Vol. 2.*

Creighton University, *Vol. 15.*

Cumberland College, *Vol. 1.*

Dartmouth College, *Vol. 1.*

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DePauw University, *Vols. 12, 13.*

Dickinson College, *Vol. 1.*

Doane College, *Vol. 2.*

Drake University, *Vol. 1.*

Emory University, *Vol. 15.*

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